capital A

Annual Report 2025

Ready, Set, Grow

ADE teleport AirAsia MOVE AirAsia Next santan AirAsia



金継ぎ

KINTSUGI · 金継ぎ

Fractures happen. What matters is what *holds.*

In Japan, broken ceramics aren't discarded—they're repaired with gold, making the fracture part of the object's strength and story. For nearly three decades, we have supported energy companies as they navigate market volatility and manage exposures with greater insight.

MITSUI BUSSAN COMMODITIES

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PUTRA BRAND AWARDS 2025
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Together We Progress

RHB

RHB Bank Berhad (6171-M)

ABOUT THIS REPORT

Capital A's Integrated Report 2025 has been prepared to provide stakeholders with accurate, concise and impactful information for a deeper understanding of:

- Our business model and strategies to create short, mid and long-term value
- The challenges and risks faced in achieving our objectives
- The six capitals we leverage to optimise our outputs
- The performance of our non-airline and airline businesses
- The non-financial (economic, social and environmental) impacts of the Group
- The governance framework that ensures our integrity, transparency and objectivity

Information presented meets regulatory requirements and supports decision-making. The report is intended primarily for providers of financial capital, but is relevant to all stakeholders interested in our business direction and how we intend to accelerate towards our goals.

MATERIALITY

In deciding on the contents of this report, we have focused on matters identified as being relevant or of material interest to our stakeholders. These material matters have been determined by extensive stakeholder engagement as well as internal evaluation. Together, they reflect existing and emerging risks and opportunities which could affect our ability to create value.



COVER RATIONALE

Ready, Set, Grow

After six years of Covid, Capital A is on the verge of stepping out from PN17 to chart rapid growth. Following the divestment of AirAsia, our five tech-driven yet diverse and asset-light businesses are ready to take on the world, disrupting their sectors the way our airline did. Each has been carved out of AirAsia hence carries the same DNA as the airline, offering great AI-powered value and service through innovation and a youthful corporate culture that is vibrant and fun!

REPORTING FRAMEWORK

Preparation of this report has been guided by the principles and requirements of the following:

Guidelines	Issuing Body
Integrated Reporting Framework (IRF)	International Financial Reporting Standards (IFRS®) Foundation
Main Market Listing Requirements Corporate Governance Guide (3rd Edition)	Bursa Malaysia Securities
Malaysian Code on Corporate Governance (MCCG) 2021	Securities Commission Malaysia
International Financial Reporting Standards (IFRS)	International Accounting Standards Board (IASB)
Malaysian Financial Reporting Standards (MFRS)	Malaysian Accounting Standards Board (MASB)
Companies Act 2016	Government of Malaysia

Our Sustainability Statement has been guided by:

Guidelines	Issuing Body
Main Market Listing Requirements on Sustainability Statements in Annual Reports Sustainability Reporting Guide	Bursa Malaysia Securities
Global Reporting Initiative Standards 2021	Global Reporting Initiative (GRI)
National Sustainability Reporting Framework	Securities Commission Malaysia
IFRS Sustainability Disclosure Standards S1 & S2	International Sustainability Standards Board (ISSB)
FTSE4Good Bursa Malaysia Index	Bursa Malaysia & FTSE Russell
Dow Jones Sustainability Index	Dow Jones
Sustainable Development Goals (SDGs)	United Nations

SCOPE AND BOUNDARY

Disclosures in this report relate primarily to key activities and events concerning Capital A and its subsidiaries covering the year from 1 January 2025 – 31 December 2025, unless stated otherwise. Material events that took place up to the Board's approval date of 15 April 2026 are also included.

OUR REPORTING SUITE

Our Integrated Report is our primary report for providers of financial capital, but is relevant to all stakeholders as it also contains non-financial disclosures related to value creation. The report is complemented by our standalone Sustainability Report which provides additional details on our environmental, social and governance (ESG) strategy and outcomes.

COMBINED ASSURANCE

Contents of the report have been approved by our Management and Board of Directors, as well as our internal auditors. In relation to the audit of the financial statements of the Group and the Company, our external auditors BDO PLT, have reviewed the other information included in the report in their capacity as our external auditors.

International carbon emissions in the Sustainability Statement have been independently verified by International Civil Aviation Organization (ICAO)-approved verification bodies as part of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) Monitoring, Reporting and Verification (MRV) process.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. Such statements are premised on current assumptions and circumstances which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of Capital A acknowledges responsibility for ensuring the integrity of this Integrated Annual Report 2025. In our opinion, the report presents a fair assessment of the Group's performance and addresses all key matters that are material to our ability to create value. This report was approved by the Board on 15 April 2026.

FEEDBACK

We welcome all inquiries, comments and feedback on our Integrated Annual Report in order to clarify issues and to further improve our reporting. Please communicate with us through:

Tel : +603 8660 4333
Email : capitala_ir@airasia.com

Comments or inquiries on the Sustainability Statement can be addressed to:
Email : sustainability@airasia.com

WHAT'S INSIDE

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9th ANNUAL GENERAL MEETING

VENUE

The Summit 1,
Connexion Conference & Event Centre
(The Vertical) Level M1,
The Vertical, Bangsar South City, No. 8,
Jalan Kerinchi, 59200 Kuala Lumpur

DATE

Tuesday 16 June 2026

TIME

10:00 a.m.

The interactive PDF allows you to access information easily, search for a specific item, view website or navigate between pages, sections and links.

Content List | Search | Website | Previous Page | Next Page

WHO WE ARE

capital A is an investment holding company with a diverse portfolio of synergistic aviation and travel businesses leveraging data and technology to drive growth.

Guided by over 20 years of robust data and operational excellence, Capital A is steadfast in its mission to deliver innovative, value-driven products and services that cater to the underserved across Asean and beyond.



Our core businesses include:

Asia Digital Engineering
(Maintenance, Repair and Overhaul)

AirAsia Next
Formerly known as AirAsia brand co. (Brand licensing and IP powered by AI, tech and loyalty)

Teleport
(Logistics)

Santan
(Food and Beverage)

AirAsia MOVE
(Online Travel Agency)



Allstars DARE TO DREAM

VALUES

- All For One, One For All
- Dare To Dream
- Make A Difference
- Celebrate All Individuals
- Keep It Simple
- Be Transparent
- Have Empathy & Respect
- Safety #1

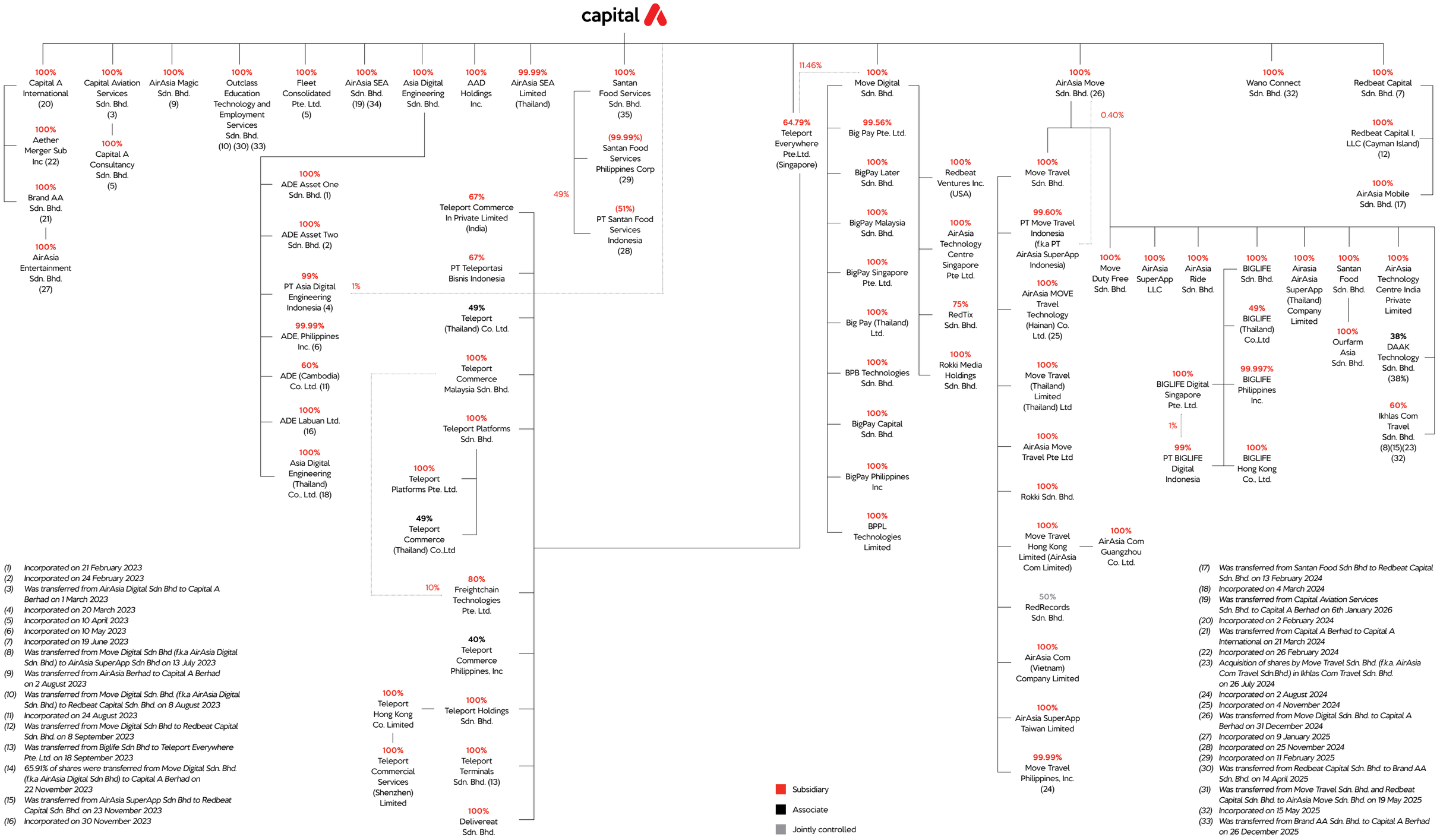
Our Vision

To be a world-leading aviation and travel services group, serving the underserved and fostering connections that transform lives across Asean and beyond.

Our Mission

- To be a globally recognised Asean brand delivering sustainable economic, societal and environmental value.
- To provide high-quality, affordable services in aviation, travel, financial and lifestyle products.
- To prioritise care for all stakeholders, including guests, business partners, investors, Allstars, communities, regulators and governments.
- To embrace innovation and technology to enhance efficiency, reduce costs and improve service levels while seeking new growth opportunities.

CORPORATE STRUCTURE



(1) Incorporated on 21 February 2023
(2) Incorporated on 24 February 2023
(3) Was transferred from AirAsia Digital Sdn Bhd to Capital A Berhad on 1 March 2023
(4) Incorporated on 20 March 2023
(5) Incorporated on 10 April 2023
(6) Incorporated on 10 May 2023
(7) Incorporated on 19 June 2023
(8) Was transferred from Move Digital Sdn Bhd (f.k.a AirAsia Digital Sdn. Bhd.) to AirAsia SuperApp Sdn Bhd on 13 July 2023
(9) Was transferred from AirAsia Berhad to Capital A Berhad on 2 August 2023
(10) Was transferred from Move Digital Sdn. Bhd. (f.k.a AirAsia Digital Sdn. Bhd.) to Redbeat Capital Sdn. Bhd. on 8 August 2023
(11) Incorporated on 24 August 2023
(12) Was transferred from Move Digital Sdn Bhd to Redbeat Capital Sdn. Bhd. on 8 September 2023
(13) Was transferred from Biglife Sdn Bhd to Teleport Everywhere Pte. Ltd. on 18 September 2023
(14) 65.91% of shares were transferred from Move Digital Sdn. Bhd. (f.k.a AirAsia Digital Sdn Bhd) to Capital A Berhad on 22 November 2023
(15) Was transferred from AirAsia SuperApp Sdn Bhd to Redbeat Capital Sdn. Bhd. on 23 November 2023
(16) Incorporated on 30 November 2023
(17) Was transferred from Santan Food Sdn Bhd to Redbeat Capital Sdn. Bhd. on 13 February 2024
(18) Incorporated on 4 March 2024
(19) Was transferred from Capital Aviation Services Sdn. Bhd. to Capital A Berhad on 6th January 2026
(20) Incorporated on 2 February 2024
(21) Was transferred from Capital A Berhad to Capital A International on 21 March 2024
(22) Incorporated on 26 February 2024
(23) Acquisition of shares by Move Travel Sdn. Bhd. (f.k.a. AirAsia Com Travel Sdn.Bhd.) in Ikhlas Com Travel Sdn. Bhd. on 26 July 2024
(24) Incorporated on 2 August 2024
(25) Incorporated on 4 November 2024
(26) Was transferred from Move Digital Sdn. Bhd. to Capital A Berhad on 31 December 2024
(27) Incorporated on 9 January 2025
(28) Incorporated on 25 November 2024
(29) Incorporated on 11 February 2025
(30) Was transferred from Redbeat Capital Sdn. Bhd. to Brand AA Sdn. Bhd. on 14 April 2025
(31) Was transferred from Move Travel Sdn. Bhd. and Redbeat Capital Sdn. Bhd. to AirAsia Move Sdn. Bhd. on 19 May 2025
(32) Incorporated on 15 May 2025
(33) Was transferred from Brand AA Sdn. Bhd. to Capital A Berhad on 26 December 2025



OUR INVESTMENT CASE

Maintenance, Repair & Overhaul (MRO)



ASIA DIGITAL ENGINEERING

- Over 20 years of end-to-end engineering expertise, servicing the world's leading low-cost carrier, ensuring world-class quality, safety and cost efficiency.
- Secured EASA and FAA Certifications, cementing its status as a world-class, multi-certified aircraft maintenance provider.
- Holds approvals from the civil aviation authorities of Malaysia, Thailand, the Philippines, Indonesia, India, Cambodia, Singapore, Nepal, Vietnam, Myanmar, Bermuda, Guernsey, Pakistan, Bhutan and the Maldives.
- Awarded two of the highest international recognitions in the aviation industry:
  - Maintenance Organisation Approval (EASA.145.0967) from the European Union Aviation Safety Agency (EASA)
  - Repair Station Certificate (ADNY458E) from the United States Federal Aviation Administration (FAA)
- In 2024, opened Malaysia's largest 14-line MRO hangar in KLIA – recognised by the Malaysia Book of Records with three national awards for engineering excellence – and advanced workshops for composites, sheet metal, cabin interiors and more, with plans to operationalise a 3D printing lab and Digital Product Development Centre.
- Signed a long-term agreement with Air France to provide heavy maintenance and aircraft modification services for Airbus A330-200 aircraft.
- 280+ heavy maintenance (C-checks) completed under five years.
- Leveraged innovation with digital platforms like ELEVADE™ and AEROTRADE®, driving operational efficiency and enhancing fleet performance.
- Strengthened services for airlines, offering comprehensive MRO solutions for Airbus and Boeing families, continuously expanding capabilities to meet the evolving needs of the aviation industry.
- Built strong partnerships with regulatory authorities, suppliers and industry leaders, positioning ADE as Asean's premier MRO provider.
- Committed to safety and excellence with EASA Part 145 certification and adherence to global standards, while creating jobs and supporting local economies across Asean.
- Poised for future growth with planned facility expansion, leveraging decades of expertise to support more clients and cement its role as a global MRO leader.

Logistics

TELEPORT

- Established in 2018, Teleport is an integrated eCommerce logistics specialist operating Southeast Asia's largest, yet asset-light, air logistics network with extended connectivity into the Asia Pacific region.
- Teleport Network® has a unique advantage that combines a strategic capacity mix of freighters and high-frequency passenger aircraft belly capacity from AirAsia and 55+ partner airlines, creating a network reach of over 290 destinations across 80 countries in Asia Pacific and beyond.
- Serves three core business segments:
  - **Teleport Air Cargo:** Airport-to-airport cargo solutions using a network of passenger and freighter aircraft
  - **Teleport eCommerce:** Customisable first-to-last-mile cross-border delivery services
  - **Teleport Next Day:** Cheapest next-day, door-to-door cross-border parcel delivery service
- Teleport is on a mission to move things across Southeast Asia better than anyone else by providing access to affordable, reliable cross-border delivery for all businesses, big or small, as fast as the next day.
- Powered by a dedicated team of 700+ Allstars (employees) across seven countries: Malaysia, Indonesia, Singapore, Thailand, the Philippines, India and China.



Online Travel Agency (OTA)



AIRASIA MOVE

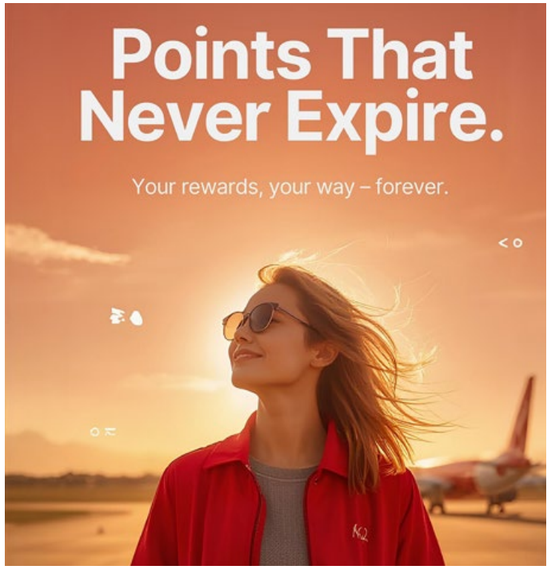
- Comprehensive travel and lifestyle ecosystem leveraging a robust organic customer base and proprietary algorithm to deliver optimised cross-selling and personalised offers.
- The Group comprises:
  - **AirAsia MOVE:** Leading OTA
  - **Wano Connect:** Dedicated B2B travel distribution platform
  - **ikhlas.com:** Shariah-compliant Muslim travel and lifestyle platform
- Serving 50 million Annual Active Users and 13 million Monthly Active Users across 13 languages and 31 currencies, the platform has maintained EBITDA profitability for three consecutive years.
- Offices in Malaysia, Thailand, Indonesia, Philippines, India and China with expansion to Vietnam, Japan, Korea, Taiwan, Hong Kong and Australia on the cards.
- Boasts a unique playbook:
  - Personalised offers and bundles
  - Flight-first OTA in the New Age of airline retailing
  - Best-in-class ancillary suite with 62% attach rate
  - Full stack customer service
- Delivers incremental value by bringing new users, ancillary income and equitable margin share with strategic partners.
- Social commerce-led travel platform supporting the entire booking journey from discovery to conversational commerce, evolving into a robust travel community that will include a peer-to-peer marketplace in the future.
- Leverages the Capital A Group ecosystem to drive back-end efficiencies through BigPay and AirAsia rewards, while capturing demand generation synergies with AirAsia Next.

Brand and IP

AIRASIA NEXT

- Launched in 2023, AirAsia Next (previously known as AirAsia brand co.) is a dedicated entity focused on enhancing the global reach and impact of the AirAsia brand, leveraging over 24 years of brand equity as an Asean and global icon.
- Oversees the Group's extensive intellectual property (IP) portfolio, encompassing all brands and marks across Capital A including strategic developments like AirAsia Buds character IP, unlocking new opportunities for growth and innovation.
- Focused on three core areas of development:
  - **Strategic Brand Licensing:** Expanding the AirAsia masterbrand into new markets and industries
  - **Brand Collaboration and Merchandising:** Partnering with established brands to create innovative travel and lifestyle offerings
  - **Content Creation:** Amplifying exposure and engaging broader audiences through storytelling and creative initiatives
- Diversifying the AirAsia masterbrand's presence into travel-related and lifestyle sectors, creating deeper emotional connections with millions of fans worldwide while offering meaningful experiences beyond transactions.
- Aims to generate new revenue streams through brand licensing, merchandising and content, adding tremendous value to the Capital A ecosystem and enhancing customer loyalty.
- Positioned as a key driver in redefining brand growth and relevance, AirAsia Next aligns with Capital A's ambition to expand beyond aviation and establish the AirAsia masterbrand as a lifestyle leader in Asean and beyond.





AIRASIA REWARDS

- Established in 2010 as an airline loyalty programme, AirAsia rewards has evolved into a comprehensive lifestyle rewards platform, offering borderless earning and redemption opportunities across Asean and beyond.
- Partners with diverse brands across lifestyle, travel and financial services, making AirAsia points a universal loyalty currency that is easy to earn, redeem and convert through platforms like AirAsia xchange.
- Members enjoy exclusive privileges, including access to the lowest AirAsia flight fares and the ability to redeem flights, deals and bookings via the AirAsia MOVE app, creating a seamless and rewarding user experience.
- Recognised for excellence, winning prestigious accolades such as:
  - Excellence in Management at the Loyalty Awards 2020, the only Asian company recognised alongside European leaders
  - Loyalty Mega Awards 2019 by Loyalty Magazine Awards 2019
  - Best in eCommerce (Marketplace/eRetailer) – Lifestyle & Travel (Gold) at the Asia eCommerce Awards 2020
- Committed to democratising loyalty points, AirAsia rewards continues to innovate and expand its platform empowering members with greater value and accessibility in their everyday transactions.
- Positioned as one of the largest points platforms in the region, AirAsia rewards drives customer engagement, loyalty and savings across the growing Capital A ecosystem, contributing to the Group's mission of affordability, accessibility and inclusivity.

BIGPAY

- Champions financial well-being by offering accessible, transparent and secure digital financial services for the unserved and underserved across Southeast Asia.
- Serves over 1.6 million carded and transacting users, providing a comprehensive suite of financial tools:
  - Visa Virtual Card and Visa Platinum Prepaid Card for payments at over 130 million global merchants and cash withdrawals at overseas ATMs
  - Features like Stash and Roundup for easy savings and Analytics to empower users with financial insights
- Strengthened presence in Thailand through the MRT campaign, offering rewards that enhance daily mobility and payment experiences.
- Integrated into Capital A's ecosystem, enhancing the AirAsia MOVE platform with innovative financial tools to support seamless travel experiences and empower users.
- Committed to promoting financial inclusion and economic growth, with a focus on underbanked communities across the region.
- Positioned as a catalyst for the cashless payment revolution in Southeast Asia, leveraging partnerships to deliver convenience, speed, security and exclusive travel privileges.
- Continue to innovate and adapt to meet the evolving financial needs of Southeast Asia, empowering users to manage their finances with confidence and simplicity.
- Working on B2B payment solutions for the Capital A ecosystem as well as the rest of the market to allow for better, cheaper and more transparent options for international remittances.



Food & Beverage

SANTAN

- Established in 2015 with a vision to create memorable dining experiences for AirAsia guests, offering the best of Asean meals at the best value.
- Served over 900 million guests globally, sharing the rich culinary heritage of Asean with travellers from around the world.
- Diversified offerings with food technologies that include freeze-dried coffee and instant meals with real ingredients, enhancing the travel experience for guests.
- Looking ahead, Santan is evolving from a single-channel airline supplier into a multi-channel Asean food company. Future growth will be driven by the expansion of grab-and-go stores, the launch of retail FMCG products and scaling B2B distribution.
- Committed to creating job opportunities across its value chain, contributing to economic growth of the communities it operates in.
- Enhancing cost efficiencies and margin upside through a streamlined supply chain, central kitchen scale and multiple sales channels that drive economies of scale and enable better value for consumers.
- Recognised as Industry Champion of the Year at the Asia Corporate Excellence & Sustainability Awards (ACES) 2025.
- Santan CEO Catherine Goh was awarded "Asia's Most Admirable Young Leaders" for transforming Santan from an inflight meal provider into a regional food service leader.



Aviation



AIRASIA AVIATION GROUP (SHORT-HAUL)*

- Staying true to its purpose and tagline since 2001, "Now Everyone Can Fly", by making air travel affordable and accessible to millions.
- Largest low-cost carrier fleet in the region, optimised for high utilisation and cost-efficiency to ensure modern, high performance and sustainable operations.
- Operates more than 200 aircraft, with a strong orderbook for the next decade, supporting long-term growth and expansion.
- Successfully introduced the Airbus A321neo, a higher-capacity and more fuel-efficient aircraft, with fleet modernisation plans incorporating the A321LR and A321XLR to enhance connectivity and operational efficiency.
- Extensive network covering 130+ destinations and 270+ routes, powered by 16 strategic hubs across five Asean countries – Malaysia, Thailand, Indonesia, the Philippines and Cambodia.
- Flown over 900 million guests to date, serving 58.3 million in 2025 with a load factor of 84%, highlighting strong and sustained demand for its services and cementing its leadership in affordable air travel.
- Recognised as the World's Best Low-Cost Airline by Skytrax for 16 consecutive years, demonstrating a commitment to excellence and guest satisfaction.
- Maintained a 7/7 Safety Rating by AirlineRatings.com, underscoring its focus on safety and operational reliability.
- Transforming into the world's first low-cost network carrier, bringing Asean to the world and the world to Asean.
- Committed to sustainable aviation with a net zero emissions target by 2050.
- Avoided 135,788 tonnes of CO_2 emissions in 2025 through 19 fuel efficiency initiatives, achieving USD30.9 million in fuel savings.
- Following the finalisation of Capital A's corporate exercises during the year, the aviation business was divested to AirAsia X, with the deal being completed on 3 December 2025. Today, the Group holds only 19.5% equity in AirAsia X.

* *Operating statistics for the period between 1 January to 3 December 2025, in accordance with the completion of the disposal of aviation business to AirAsia X*

GROUND TEAM RED

- Delivers a wide range of airline support services through end-to-end ground handling across passenger handling, ramp, cargo and airside operations since 2017, with a strong focus on safety, reliability and operational efficiency.
- Leverages digital tools and process optimisation to support air cargo handling, improve coordination and maintain consistent turnaround performance amid higher traffic volumes.
- Supports core airline customers while expanding operational capabilities to meet evolving service and operational requirements.
- Actively grew its third-party airline customer base during the year, strengthening GTR's position as a leading ground handling partner for passenger and cargo operations.
- Launched premium private jet handling services in 2025, marking an expansion into specialised and higher-value ground handling segments.
- Progressed sustainability planning and readiness work, including fleet and infrastructure assessments, to support future emissions-reduction initiatives aligned with operational feasibility.
- Committed to innovation, workforce capability development and customer-centric execution to deliver reliable ground handling services across its network.



OUR PERFORMANCE AT A GLANCE

Business Highlights

ADE

Secured world-class certifications:

EASA
Maintenance Organisation Approval (EASA.145.0967) from European Union Aviation Safety Agency (EASA)

FAA
Repair Station Certificate (ADNY458E) from US Federal Aviation Administration (FAA)

Signed a long-term agreement with
Air France
to provide heavy maintenance and aircraft modification services

teleport

55+ airline partners
including Turkish Airlines and Air Central China

Appointed as
Exclusive General Sales Agent
for 4 airlines managing specific sectors

Hong Kong
lane launched for Teleport Next Day

AirAsia MOVE

Best-in-class in ancillary suite, with
62% attach rate

+25% YoY
growth of our Stays segment

AirAsia Next

Launched
AirAsia x SEGA and AirAsia Buds
merchandise for inflight and on-ground sales

Partnered with 2024 LIV Golf Team Champions,
Ripper GC

santan

Entered into strategic collaboration with national railway,
KTMB,
to provide in-train catering services

Launched
Santan Value Combo
from RM6.90

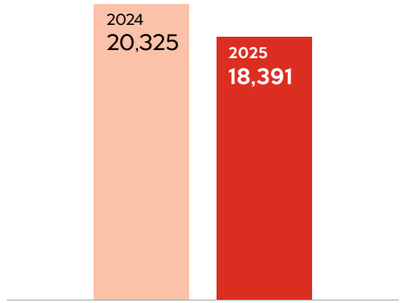
AirAsia

Named the
World's Best Low-Cost Airline
at Skytrax World Airline Awards 2025 for the 16th consecutive year

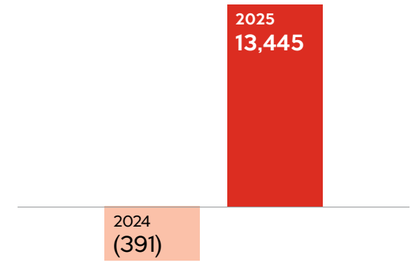
Signed a Letter of Intent (LOI) to explore establishing
Bahrain as AirAsia's Middle East hub,
marking the beginning of a long-term partnership to build a major bridge between Asean and one of the world's fastest-growing aviation regions

Capital A Financial Highlights

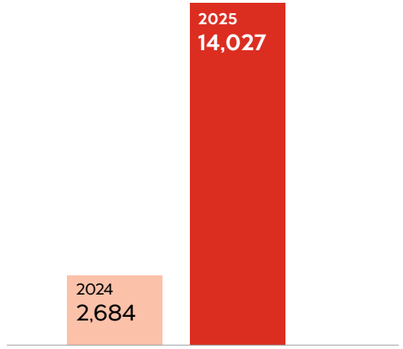
Revenue
RM18,391 Million



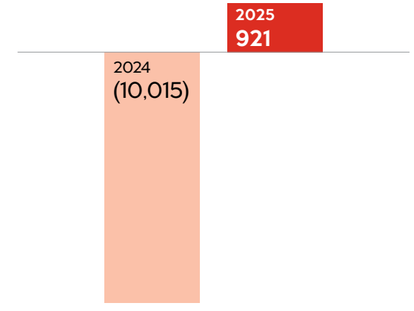
Profit Before Tax (PBT)
RM13,445 Million



EBITDA
RM14,027 Million



Total Equity/(Deficit)
RM921 Million



Sustainability Highlights

Progressing Towards a Greener, More Resilient Aviation Ecosystem.

Environmental

135,788 tonnes
of CO_2 avoided and USD31 million saved through decarbonisation initiatives

23%
of total generated waste diverted from disposal

62.9 gCO_2/ASK and 76.3 gCO_2/RPK
carbon intensity achieved across the operational fleet

3,007 kg of CO_2
avoided through food rescue and redistribution initiatives

Secured regulatory approvals in Thailand and Indonesia to introduce passenger carbon fees

Social

Maintained
zero fatalities
and 7/7 Stars Safety Rating

RM196,760
awarded to scale new Asean social enterprises via the AirAsia Foundation

8.3%
female pilots

RM1,009,590
contributed to directly uplift and empower local communities

19%
female representation in leadership roles

912 Allstar
volunteering hours dedicated to community and social impact initiatives

Governance

100%
new Allstars completed Code of Conduct and anti-corruption training

71%
On-Time Performance

Teleport and GTR signed a joint
Corruption-Free Pledge
with MACC

21.8%
of addressable procurement spend on local suppliers

80%
of Group operations underwent formal corruption risk assessments

6.5
mishandled bags per 10,000 passengers

53
AirAsia Net Promoter Score



A DIGITAL LIFESTYLE COMPANY

Our Digital Statistics

ADE

280+
C-checks completed within five years

Active Line Maintenance footprint across
20+
Asean airports

Average of
10,000
line maintenance checks per month

teleport

Over
348,000
tonnes of cargo moved

Over
167 million
eCommerce parcels delivered across Asia Pacific and beyond

AirAsia MOVE

Average monthly Gross Booking Value
RM787,637,829

No. of transactions at year end
27,699,222

Monthly Active Users (MAU)
17,297,141

AirAsia Next

AirAsia Buds YouTube Channel

69,000+
subscribers

16.5+ million
views in 2025

497,700
hours of watch time

santan

~ 19 million
units of inflight meals sold in FY2025

400K+ units
of ready-to-eat meals sold via retail partners

Our Social Media Statistics

Facebook
14,344,881
followers

Instagram
3,983,999
followers

X
6,884,087
followers

LINE
27,877,287
followers

WeChat
1,983,206
followers

Weibo
1,300,000
followers

RedNote (Xiaohongshu)
53,459
followers

TikTok
687,691
followers

Douyin
85,700
followers

LinkedIn
1,086,395
followers

YouTube
249,822
followers

KakaoTalk
50,939
followers

Telegram
4,161
followers

Threads
232,976
followers

KakaoStory
8,298
followers



OUR AVIATION GROUP NETWORK & STATISTICS

NETWORK FOOTPRINT AS AT MARCH 2026

AirAsia Aviation Group
(short-haul)

Routes	278
Markets	22
Destinations	140
Hubs	16

AirAsia X Group
(long-haul affiliates of Capital A)

Routes	31
Markets	13
Destinations	26
Hubs	2

AIRASIA AVIATION GROUP FY2025 MARKET SHARE

COUNTRIES	TOTAL MARKET SHARE	INTERNATIONAL MARKET SHARE	DOMESTIC MARKET SHARE
Malaysia	45%	31%	60%
Thailand	25%	12%	41%
Indonesia	6%	18%	2%
Philippines	11%	4%	13%
Cambodia	14%	14%	22%



Legend:

● Hub ▲ Destination

Note:
This map is for illustrative purposes only and is not drawn to scale. It is not intended to be a geographically accurate representation of territories or borders and does not reflect the political opinions or affiliations of AirAsia. It serves as a neutral depiction of destinations within the AirAsia (short-haul) network

AWARDS & ACCOLADES 2025



JANUARY

- **AirAsia** won the **Silver award** at **Putra Brand Awards 2024, Malaysia**, in the Transportation, Travel and Tourism category

FEBRUARY

- **AirAsia Group** of companies, including AirAsia X and Thai AirAsia X, named **World's Best Low-Cost Airline 2025** by AirlineRatings.com

MARCH

- **AirAsia** named a **Top Influential Brand (*Airline Category*)** at Asia CEO Summit & Awards Ceremony 2025



MAY

- **AirAsia** scored **10 out of 10** in **Landmark Global Environmental Audit** by 42kft.com
- **ikhlas.com** won the **Distinguished Consumer Confidence Award** by Islamic Distinguished Enterprise Award 2025

JUNE

- **AirAsia** ranked **sixth** among **Top 25 Safest Low-Cost Airlines for 2025** from a total of 385 airlines, by AirlineRatings.com
- **AirAsia** named **World's Best Low-Cost Airline** by Skytrax for the 16th consecutive year



JULY

- **Teleport** was awarded **Best Local Partner** by Turkish Cargo

SEPTEMBER

- **Teleport** was awarded **Best Low-Cost Air Cargo Carrier** at Asian Freight, Logistics and Supply Chain (AFLAS) Awards 2025





OCTOBER

- **AirAsia** was named **Asia's Leading Low-Cost Airline** & **Asia's Leading Low-Cost Airline Cabin Crew** by World Travel Awards Asia and Oceania
- **Teh Mun Hui**, CFO of Capital A, was named **one of the Most Powerful Women Asia 2025** by Fortune
- **Catherine Goh**, CEO of Santan, was named **Malaysia's Top 30 Young Entrepreneurs 2025** by TOP 30 MEDIA
- **Catherine Goh**, CEO of Santan, was awarded the **Pinnacle Women Business Award**, at Shanghai Honourable Women Entrepreneur (SHE) 2025 by Shanghai Business Media

NOVEMBER

- Asia Aviation Public Company Limited was presented with:
  - **Best CEO:** Santisuk Klongchaiya
  - **Best CFO:** Phairat Pornpathananangoon
  - **Best IR:** Siraphop Paphatthananan

  at IAA Awards for Listed Companies 2025, hosted by the Investment Analysts Association
- **AirAsia** was honoured with the Future Travel Experience (FTE) at **APAC Airline Pioneer Award 2025**
- **Teleport** was named **Vietjet Air Cargo's Top Airline Partner**
- **Santan** received the **MSOSH GOLD CLASS 1 Award** from the Malaysian Society for Occupational Safety and Health (MSOSH)
- **Musdalifa Abdullah**, CEO of Ground Team Red, received the **MSOSH President Award** from the Malaysian Society for Occupational Safety and Health (MSOSH)

DECEMBER

- **Santan** was named an **Industry Champion of the Year** at the Asia Corporate Excellence & Sustainability Awards 2025 (ACES)
- **Catherine Goh**, CEO of Santan, was recognised under **Asia's Most Admirable Young Leaders Award** category at the Asia Corporate Excellence & Sustainability Awards 2025 (ACES)
- **AirAsia MOVE** was named **Asia's Best Travel Booking App** at World Travel Tech Awards 2025 (third consecutive year)
- **AirAsia** was named **World's Leading Low-Cost Airline, World's Leading Low-Cost Airline Cabin Crew, World's Leading Long-Haul Low-Cost Airline** at World Travel Awards 2025
- **AirAsia** won the **Greater China Best Employer Award** at the HRoot Awards 2025 for remarkable performance and best practices in HR management
- Asia Digital Engineering CEO, Mahesh Kumar, was named Executive of the Year (Aerospace) at the Malaysia Management Excellence Awards 2025



2025 DIARY OF SIGNIFICANT EVENTS

In 2025, we continued to revive AirAsia and build our five non-airline businesses – ADE, Teleport, AirAsia MOVE, Santan and AirAsia Next – while focusing on a comprehensive restructuring as part of our regularisation plan. The milestones noted here have been integral to our strategic initiatives and demonstrate significant progress on all fronts. Capital A concluded the year on a new slate, having disposed of our airline business.



JANUARY

- AirAsia Next (previously known as AirAsia brand co.) announced a partnership with leading global luggage and lifestyle brand American Tourister to unveil *The Funseekers lifestyle capsule collection* featuring the AirAsia brand.
- Transforming travel, AirAsia MOVE partnered with Antom for seamless payment solutions.
- AirAsia MOVE appointed renowned travel industry leader Manfredi Lefebvre d'Ovidio as Chairman.
- AirAsia MOVE welcomed SriLankan Airlines as its latest direct airline partner.
- BigPay integrated Alipay+ to enable QR payments at merchants across 48 destinations worldwide through the BigPay app.
- AirAsia's strong brand affinity among Malaysians was recognised with the Silver award in the Transportation, Travel and Tourism category at the Putra Brand Awards 2024.
- Ground Team Red commenced ground handling services for Batik Air in Miri, Sarawak, Malaysia.
- AirAsia rewards partnered with KL Wellness City, providing points and marketing support to the project and its customers.



FEBRUARY

- Asia Digital Engineering organised its inaugural ADE Investor Day to showcase how ADE is setting new industry benchmarks for efficiency, turnaround time and digital innovation.
- Asia Digital Engineering participated in MRO Middle East, highlighting its digital MRO services, *AEROTRADE®* marketplace and *ELEVADE™ FLEET* condition monitoring app.
- BigPay launched The Great Big Ong campaign to give users a chance to win AirAsia points through payments and transfers.
- Ground Team Red participated in the Aviation Festival Asia (AFA) 2025 held in Singapore, where the CEO joined a panel discussion to share insights on sustainability in aviation.



MARCH

- AirAsia, Asean's leading travel and lifestyle brand, announced a new partnership with Ripper GC, one of the 13 teams in the LIV Golf League.
- AirAsia MOVE joined Global Travel Leaders as the newest member of its World Travel & Tourism Council.
- AirAsia rewards partnered with SM Advantage Card (one of the biggest loyalty programmes in the Philippines) for a more rewarding experience.

- AirAsia rewards and B Infinite collaborated to enhance member benefits with two-way points conversion.
- AirAsia was named a Top Influential Brand in the Airline category at the 2025 Asia CEO Summit & Awards, reaffirming its status as the largest and most popular foreign carrier in Singapore.



APRIL

- AirAsia Next (previously known as AirAsia brand co.) launched AirAsia Buds on YouTube with 12 weekly episodes to engage children and families through lighthearted episodes of discovery, teamwork and friendship.
- Asia Digital Engineering hosted the Commercial Aircraft Corporation of China (COMAC) at its hangar in Sepang, Selangor, Malaysia.
- Singapore Tourism Board and AirAsia MOVE forged a strategic partnership to elevate travel to Singapore.
- Royal Brunei Airlines embarked on a new journey with AirAsia MOVE.
- AirAsia MOVE introduced *Easy Cancel* for more flexible travel.
- AirAsia MOVE's Ravi Shankar was named a winner at the Malaysian CMO Awards 2024.
- Teleport and Emirates SkyCargo signed a Memorandum of Understanding to combine their global networks through expanded cargo interline operations and block space agreements, among other initiatives, to enhance connectivity for Asean-based businesses.
- Teleport and Ground Team Red launched a new air cargo terminal in Sandakan, Sabah, Malaysia to strengthen cross-border trade capabilities and enhance import-export throughout in Sabah, supporting the state's economic growth.

- Santan launched *Santan Value Combo* from RM6.90 which includes a meal and a drink, improving affordability for guests.
- AirAsia rewards launched BIGGIE troopers, an on-ground team to promote programmes at partner sites.
- AirAsia rewards partnered with Ascott Awards Malaysia to fly members to London to watch a Chelsea FC football match live.



MAY

- Capital A shareholders and RCUIDS holders unanimously approved the Proposed Regularisation Plan comprising capital reduction of up to RM6 billion at an EGM.
- AirAsia ranked 24th Most Valuable Airline Brand Worldwide and 7th Most Valuable Brand in Malaysia in the Brand Finance Malaysia 100 2025 report.
- Asia Digital Engineering was awarded two of the highest international recognitions in the aviation industry – Maintenance Organisation Approval (EASA.145.0967) from EASA and Repair Station Certificate (ADNY458E) from the FAA.
- Santan sales of "*The BEST Santan Latte*" crossed one million cups, strengthening its position as a provider of café-quality coffee in the sky.
- BigPay offered users double AirAsia rewards points for using Alipay+ at merchants in South Korea.
- AirAsia partnered with local sparkling juice brand, Hausboom, in a first-of-its-kind collaboration to co-create a beverage series inspired by its flight destinations.
- Ground Team Red signed a Memorandum of Understanding with Sapura Aerohandlers and Weststar Aviation Services at LIMA 2025 to launch premium private jet handling services in Malaysia.

2025 DIARY OF SIGNIFICANT EVENTS

2025 DIARY OF SIGNIFICANT EVENTS

JUNE

- AirAsia MOVE strengthened its presence in Thailand with the launch of a new bold tagline – "*Travel More for Less*" – and symbolic aircraft livery.
- Santan launched Santan Food Guide – an honest guide spotlighting local food gems and authentic flavours of Malaysia.
- BigPay expanded its Alipay+ capabilities to Kazakhstan, Argentina, Mexico, Peru and Colombia.
- AirAsia was named the World's Best Low-Cost Airline at Skytrax World Airline Awards 2025 for the 16th consecutive year.
- AirAsia unveiled a striking gold aircraft livery to celebrate its 16th consecutive win as the World's Best Low-Cost Airline at the Skytrax World Airline Awards 2025.
- Ground Team Red and EPIC Berhad forged a strategic partnership to power green aviation operations for solarisation.
- Ground Team Red commenced as the official ground handler for Cambodia Airways at Penang International Airport, Malaysia.



JULY

- AirAsia Allstar Rizal Redzuan tied 5th at the LIV Golf Korea Pro-Am, after being given the opportunity to compete with Ripper GC Captain Cameron Smith and Marc Leishman.
- AirAsia Next (previously known as AirAsia brand co.) organised its third reiteration of *RedGames Jam*, presenting winners with an all-expenses-paid trip to the 2025 Tokyo Game Show as part of the AirAsia Dream It brand experience.
- Asia Digital Engineering hosted Malaysia's Deputy Minister of Transport, Datuk Haji Hasbi Bin Haji Habibollah and African heads of mission for an exclusive tour of RedChain and the ADE MRO Hangar.
- Santan opened an outlet at the food hall located in gateaway@klia2.
- Santan launched "*Kopitiam in the Sky*", becoming the first airline to serve local favourite kaya butter toast onboard, with Zero Teh Tarik.
- Santan released *Jumbo Pak Nasser Nasi Lemak*, a ready-to-eat concept of its famous inflight nasi lemak, across all ZUS Coffee outlets.
- BigPay Thailand teamed up with Bangkok Expressway and Metro (BEM) on a "*Tap and Pay for the Best Value*" campaign enabling BigPay payments on its trains.
- BigPay partnered with PayNet on DuitNow QR payments at Lotus's and gave users chances to win prizes with qualifying spends.



AUGUST

- AirAsia entered the digital space with the official launch of *AirAsia World* on Roblox.
- Asia Digital Engineering hosted a meeting with key industry players for a meaningful dialogue on advancing the aircraft Maintenance, Repair and Overhaul sector in Selangor.
- Teleport and ANAABU™, a Malaysian unisex clothing brand, collaborated on a collection called *PORTALWEAR*, designed for the on-the-go community.
- Santan collaborated with Malaysian content creator Sai to co-create "*Uncle Sai Char Kuey Teow*", which became a Top 5 bestselling inflight meal.
- AirAsia rewards launched a new co-branded AirAsia Platinum Credit Card with RCBC Philippines.
- BigPay partnered with Visa to give users a chance to win a trip for two to the 2025 MAMA Awards in Hong Kong.
- BigPay took part in the RXZ Members 7.0 2025 event in Terengganu, Malaysia, alongside AirAsia and ikhlas.com.
- BigPay enabled cross-border peer-to-peer transfers between Malaysia and Singapore through the BigPay app.
- AirAsia showcased an enhanced cabin crew uniform at the Kuala Lumpur Fashion Week 2025 featuring recycled materials for improved comfort, fit and functionality, complemented by Malaysia-Indonesia regional craftsmanship.
- Ground Team Red commenced official operations as a ground handler for Greater Bay Airways in Langkawi International Airport.



SEPTEMBER

- Asia Digital Engineering signed a long-term agreement with Air France to provide heavy maintenance and aircraft services to the airline.
- Asia Digital Engineering featured as an exhibitor at the MRO Asia Pacific 2025 held in Singapore, showcasing its line/base maintenance and digital services.
- AirAsia MOVE expanded its list of partners to include Air Macau in its flight offerings on the AirAsia MOVE app.
- Teleport and Shipsy announced a tech partnership to integrate a last-mile transport management system into the Teleport Network® to unlock greater real-time, last-mile shipment visibility for Teleport's customers across Southeast Asia.
- Teleport and China Central Longhao Airlines Co. Ltd (Air Central China) signed a Memorandum of Understanding at the Zhengzhou – Kuala Lumpur Air Silk Road Forum for International Cooperation by announcing an interline agreement to enable faster, more seamless cargo transfers across their networks.
- BigPay partnered with CTOS to let users check their credit scores directly on the BigPay app.
- BigPay won CleverTap's Customer Lifecycle Pioneers award at The Big Leap event.
- Ground Team Red participated in the Zhengzhou – Kuala Lumpur Air Silk Road Forum together with other key aviation players.



2025 DIARY OF SIGNIFICANT EVENTS

OCTOBER

- Capital A partnered with Ant International to optimise treasury operations and enhance customer experience for its airline business, AirAsia.
- Capital A Group CFO, Teh Mun Hui, was named one of the Most Powerful Women Asia by Fortune.
- AirAsia's Sonic The Hedgehog aircraft completed a new redesigned interior featuring *SEGA's Sonic Racing: CrossWorlds* and *Sonic Rumble* designs.
- Capital A and AirAsia X announced a key Thai regulatory condition waiver for airline consolidation, signalling imminent restructuring completion.
- Capital A announced that all conditions required for the disposal of its airline business have been met.
- Asia Digital Engineering participated in MRO Europe, London connecting with partners, airlines and industry peers to exchange insights and explore opportunities in fleet maintenance and engineering.
- Teleport and Ground Team Red jointly pledged to uphold integrity and reject any form of corruption across their air logistics operations via an Anti-Corruption Awareness and Corruption-Free pledge ceremony, co-organised by the Malaysian Anti-Corruption Commission (MACC) in Putrajaya, Malaysia.
- BigPay Lite became MOVEPay, an all-in-one wallet available on AirAsia MOVE.
- AirAsia was named Asia's Leading Low-Cost Airline for the 13th time and Asia's Leading Low-Cost Airline Cabin Crew for the ninth consecutive year at the World Travel Awards Asia and Oceania 2025.
- AirAsia announced an official partnership with HYROX APAC as the Official Regional Airline Partner and Title Partner for HYROX Osaka in 2026.



NOVEMBER

- Capital A signed a Letter of Intent with the Ministry of Transportation and Telecommunications of Bahrain to explore establishing Bahrain as AirAsia's Middle East hub.
- Capital A confirmed the Entitlement Date for the distribution of new ordinary shares in AirAsia X to eligible shareholders, a key step in its strategic restructuring plan.
- Asia Digital Engineering completed its first C-Check for an Air France Airbus A330-200 aircraft.
- Asia Digital Engineering completed a software update for 96 AirAsia Airbus A320 aircraft within 25 hours, in compliance with the European Union Aviation Safety Agency (EASA) airworthiness directive.
- AirAsia MOVE added Vietjet Air's inventory to its platform through partnership with GalaxyJoy.
- Teleport and Etihad Cargo deepened their partnership with the deployment of a new freighter from Phnom Penh, Cambodia, to Abu Dhabi, strengthening Etihad Cargo's reach in Southeast Asia.
- AirAsia rewards set sail in partnership with Arriva to launch a new cruise booking platform.
- AirAsia rewards members can now earn AirAsia points at all merchants in Sungei Wang Plaza, Bukit Bintang, Malaysia.
- AirAsia rewards and Amanah Saham Nasional Berhad (ASNB) collaborated to reward Malaysians with five million AirAsia rewards points and exciting holiday prizes.
- AirAsia was honoured with the Future Travel Experience (FTE) APAC Airline Pioneer Award 2025 in recognition of its leadership in transforming the end-to-end travel experience through digital innovation, operational excellence and the dedication of its Allstars.
- Ground Team Red won the Gold Class 1 Award for outstanding Occupational Safety and Health performance at the 2025 Malaysian Occupational Safety & Health Awards.
- Ground Team Red CEO, Musdalifa Abdullah, was honoured with the President's Award at the 2025 Malaysian Occupational Safety & Health Awards.

2025 DIARY OF SIGNIFICANT EVENTS



DECEMBER

- The High Court of Malaya confirmed Capital A's share capital reduction by RM2,741,538,641.04 as part of the distribution to AirAsia X shareholders.
- Capital A and Standard Chartered Bank Malaysia Berhad signed a Letter of Intent to jointly explore the development and testing of a Ringgit-denominated stablecoin through the Digital Asset Innovation Hub under Bank Negara Malaysia.
- Asia Digital Engineering CEO, Mahesh Kumar, was named Executive of the Year (Aerospace) at the Malaysia Management Excellence Awards 2025.
- AirAsia MOVE became the first Asean-born online travel agent to win Asia's Best Travel Booking App for three consecutive years.
- AirAsia MOVE closed 2025 with three major global airline partnerships, making Ethiopian Airlines, Vietjet Air and Garuda Indonesia flights available for booking on the app.
- Teleport was appointed the Exclusive General Sales Agent for China Central Longhao Airlines Co. Ltd (Air Central China) to commercially manage its Chennai and Delhi stations in India.
- Santan launched *Santan Food Souvenir*, offering Malatang Spicy Hotpot Noodles, Seafood & Prawn Vermicelli Soup Noodles for purchase inflight and on ecommerce websites.
- Santan was recognised as the Industry Champion of The Year at the Asia Corporate Excellence & Sustainability Awards (ACES) 2025.
- Santan CEO, Catherine Goh, was named one of Asia's Most Admirable Young Leaders for transforming Santan from an inflight meal provider into a regional food service leader.
- BigPay partnered with Visa and Malaysian content creators Mimi Lana, Iris Leona and Ashy Edwards on a travel campaign that gave users a chance to win free flights.
- AirAsia Group of Airlines secured a remarkable triple win at the World Travel Awards Grand Final 2025, reaffirming its position as one of the world's leading and most influential low-cost aviation brands.



GROUP CHAIRMAN AND CEO'S STATEMENT



From left:

Datuk Kamarudin Bin Meranun
Non-Independent Executive Chairman

Tan Sri Anthony Francis Fernandes
Non-Independent Executive Director and Chief Executive Officer

Dear Shareholders

2025 for Capital A was a year of extremes. We are used to rollercoaster rides, but this one presented us with exceptional highs and lows. It was certainly exciting, at some points heart-stopping. But we persevered with our restructuring and our regularisation plan, having set the clear goal of extricating the Group from Practice Note 17 (PN17) status. And it is with great relief to share that we ended the year on a very positive note, within arm's reach of the total reset we envision for Capital A.

On 3 December 2025, we divested AirAsia to its sister airline, AirAsia X Berhad (AAX). The divestment was subsequently completed on 16 January 2026 with the allotment and issuance to Capital A and our entitled shareholders of 2,307,692,307 new AAX shares, together with AAX's assumption of a RM3.8 billion debt previously owed by Capital A to AirAsia Berhad.

This was truly an emotional moment for us as it marked the culmination of six years of being under PN17 status due to Covid and four years of working in excruciating detail on disposing of our aviation business together with a regularisation plan to emerge from the impacts of the pandemic, specifically PN17. The plan was anchored on four components: one, disposal of AirAsia Aviation Group Limited (AAAGL) and AirAsia Berhad to AAX; two, the transfer of our AirAsia Berhad debt to AAX; three, receiving AAX shares and distributing these to our shareholders; and four, a reduction in our share capital to offset Capital A's accumulated losses and rationalise our balance sheet.

Through the disposal of the aviation business, we have created two distinct and very focused companies that are ready to take off: AirAsia X, now inclusive of AirAsia, comprising both short-haul and long-haul airline operations; and Capital A, made up of five companies we started and grew during Covid to monetise our extensive AirAsia data and leverage our digital infrastructure. These are Asia Digital Engineering (ADE), our maintenance, repair and overhaul (MRO) company; Teleport, known for faster, cheaper and better logistics; AirAsia MOVE, our community-focused online travel agency (OTA); AirAsia Next, a branding and intellectual property (IP) specialist; and Santan, which is all about Asean food.

It was poignant to let go of the airline. How could it not be, as it all started in 2001 with this fledgling low-cost airline that defied sceptics to become Asia's biggest and the world's best low-cost airline 16 years in a row. Nevertheless, as a result of our restructuring, that story is about to enter a very exciting new chapter. The possibilities of creating skybridges across the world have just got bigger and more clearly defined, not only with the enlarged AirAsia Group fleet of narrow and widebody aircraft, but also the development of super-efficient engines that will allow narrowbody planes to fly farther and cheaper. AirAsia Group is set to become the Emirates of highly connected global low-cost air travel based in Asean but with hubs in the Middle East and elsewhere.

REVENUE

RM18.4 BILLION

2024: RM20.3 billion

EBITDA

RM14.0 BILLION

2024: RM2.7 billion



Meanwhile, technology-driven and asset-light, our five Capital A companies can now channel their resources single-mindedly into accelerating the momentum of growth already achieved under the guidance of their young and dynamic CEOs.

Starting AirAsia fresh in 2001 was challenging in its own way. Rebuilding the airline with over 200 aircraft and 21,000 Allstars post-pandemic has been infinitely more so. Especially as we were also growing our other businesses. Yet, we've done it! As always, we would like to stress, it would not have been possible without the unwavering support of our Allstars. One of our proudest moments was to bring back every single Allstar who wished to return. Today, we salute them for their passion and perseverance.

But we're not completely out of the woods. Capital A is still weighed down by PN17 and AirAsia still has aircraft waiting in the wings to be operationalised. Once we are rid of these final vestiges of Covid, our focus will no longer be distracted and we will turbo-charge our growth to achieve our Asean and, ultimately, global ambition.

Completion of our Regularisation Plan

Last year, we mentioned being overjoyed by Bursa Malaysia Securities' approval of our regularisation plan on 7 March 2025. At the time, we thought the plan would unfold smoothly and we would be out of PN17 within the year. In reality, the exercise was complex and required extensive regulatory approvals across multiple jurisdictions. It also had to meet the expectations of our debtors and lessors.

After Bursa Malaysia approved our regularisation plan, we obtained our shareholders' go ahead at an Extraordinary General Meeting held on 7 May 2025. The plan finally received the High Court's approval on 21 January 2026.

Concurrently, we worked closely with AAX on the airline disposal. Based on progress made, we fixed the entitlement date for the distribution of AAX shares to our shareholders for 3 December 2025. This was followed by the High Court approving our capital reduction to enable the share distribution on 8 December. Meanwhile, AAX had to find an innovative solution to overcome regulatory requirements regarding the takeover of AirAsia Thailand (TAA) as it involved a change in the indirect ownership of Asia Aviation PCL (AAV), the listed company that owns TAA. It also took some fine-tuning to finalise the terms of an RM1 billion private placement exercise to support the acquisition. Finally, there were documentation delays on the side of AAX's identified investors. Once this was completed, AAX went full steam ahead to acquire our aviation business, as noted, on 16 January 2026. Subsequently, on 21 January, the High Court approved our second capital reduction (of RM5,507,594,000). Finally, with the lodgement of the sealed High Court order confirming our capital reduction on 23 January, we officially completed our regularisation plan.

As a result of this mammoth exercise, Capital A shareholders have received approximately 386 AAX shares for every 1,000 Capital A shares, allowing them to maintain exposure to a more efficient, consolidated airline group. At the same time, they will benefit from the unlocking of Capital A's intrinsic value, now that the asset-light, debt-free specialised tech and maintenance powerhouse is about to exit PN17 status.

A Capital Portfolio of Companies

We've said time and again that adversity brings opportunities; and Covid was no different. The five companies in Capital A already existed in some form or other before the pandemic. Covid, however, accelerated their development as each provided a new, diversified source of income for the Group.

Infused with the same DNA as AirAsia, these tech-driven companies offer quality, inclusivity and efficiency, as well as great value. They are also in high-growth areas and have evolved exponentially over the last six years. Recognising their potential, we carved each into its own company with the objective of seeing all mature into independent global businesses disrupting the markets they are in.

Most encouragingly, the five companies have cumulatively been recording a profit after tax for five consecutive quarters.

Demand for MRO services keeps growing and will continue to skyrocket, especially in Asia, the fastest-expanding aviation region. Although there are bigger players around, ADE fully leverages blockchain, machine learning and AI to be faster, cheaper and smarter than the rest. It also has an edge in terms of manpower. Soon to open its own training centre, it will train its engineers in-house, saving cost and time while ensuring a robust talent pipeline for the future. It was very uplifting to see an Air France A330 aircraft in ADE's hangar in October, following an agreement signed with the French airline. ADE is the only MRO in Asia to have won Air France's confidence in conducting heavy maintenance checks and aircraft modification services. This recognition is worth more than years' of operations.

Teleport became the world's first logistics company with minimal assets as it was able to use AirAsia's belly space to transport cargo. Along with rapid growth – it is now the ninth largest logistics company in Asia by tonnage moved by air – it has expanded its capacity with three dedicated freighters. These aircraft, combined with a partner network of over 55 airlines, enable Teleport to offer integrated eCommerce logistics solutions to customers across Asia Pacific and beyond. Its asset-light model also allows Teleport to offer eCommerce services at a fraction of conventional costs, providing great value for startups and entrepreneurs. Now, not only can everyone fly, everyone can also sell.

AirAsia MOVE is perhaps our best investment to date because, in fact, it involves no investment. MOVE was created by taking our airline website and turning it into an OTA. Although there were some teething problems with the transition, these have been ironed out, as reflected in MOVE's fourth quarter results. In hindsight, the creation of an OTA was timely as more and more travellers are booking their flights through these aggregators and not directly with airlines. Amid stiff competition, MOVE is supported by exceptional branding and extensive use of AI/data, as well as strong community focus that will help to create unique experiences, positioning it in a league of its own.

From very early on, we realised we were onto something special with our inflight food. No other airline had the equivalent of Pak Nasser's Nasi Lemak or Uncle Chin's Chicken Rice which quickly became household names. That prompted us to brand our food as Santan, with the idea of eventually developing it into an independent F&B business. This is precisely what has happened. In 2025, the team started laying the groundwork to create an extensive portfolio of fast-food items and snacks under the Santan label to be made available in partner F&B and retail outlets as ready-to-eat and on-the-go meals.

> **"The five companies have cumulatively been recording a profit after tax for five consecutive quarters."**

AirAsia Next is a rebrand of AirAsia brand co. (Abc.) which continues to focus on branding and licensing and will soon include our fintech BigPay and loyalty programme AirAsia rewards in its fold. Its strength lies in the USD1.92 billion AirAsia brand, which is not just an airline brand, but a way of life. It stands for being inclusive, innovative, value-driven and fun. We plan to license this brand to third parties so they get the name together with our technology, our database, our loyalty programme, our learning schools as well as our fintech systems – in other words, an entire ecosystem to support their growth. Like MOVE, this will involve zero capital outlay. Our licensees will provide the capital and run the show, while we provide the brand, the culture and know-how.

Flying Into a New Era

While the overarching focus in 2025 was the divestment of our airline, we continued to build AirAsia and focused intently on bringing as many aircraft as possible back into service from hibernation. At the same time, we laid the groundwork for the expanded AirAsia Group's development into the world's first low-cost network carrier. With both narrowbody and widebody aircraft in its fleet now, the Group is ready to cover a vastly extended geographical footprint by setting up hubs in strategic locations. In November 2025, we signed a Letter of Intent to establish Bahrain as the first such hub outside Asean. The idea is to connect our core markets in Malaysia, Thailand, Indonesia, the Philippines and Cambodia to Bahrain, with onward connectivity to Europe, Africa and the United States.

When we started AirAsia in Malaysia, it was revolutionary because no-one had successfully operated a low-cost carrier in Asean. Today, AirAsia is revolutionising air travel once again, by building the world's first truly global, multi-hub low-cost network.

Key to making this vision feasible are the newly developed Airbus A321LR and A321XLR (long-range and extra long-range) aircraft. Being narrowbody, these planes are significantly easier to fill than the widebody aircraft conventionally used on long-haul routes. AirAsia can therefore fly with full loads at increased frequencies, making long routes more cost-effective. The fantastic news is the airline will be receiving four A321LRs in 2026 with more to come later. Furthermore, in July 2025, we signed a Memorandum of Understanding with Airbus for 50 A321XLRs with rights for an additional 20 A321XLRs. AirAsia will welcome the first of these aircraft in 2028, with the rest to be delivered through to 2032.

Financial Performance

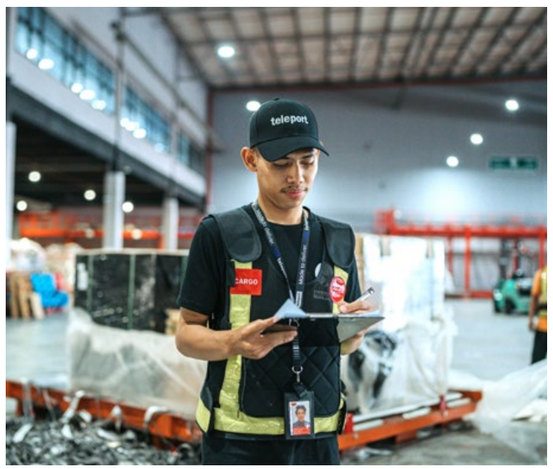
The most significant financial result for the year was being restored to positive equity, of RM921 million, from the airline disposal. Beyond this reset, our results demonstrate steady growth. For the full year, we achieved RM18.4 billion in revenue, which is very encouraging given that our 2025 figures include only 11 months' performance by AirAsia following its divestment. Our earnings before income tax, depreciation and amortisation (EBITDA) stood at RM14 billion (2024: RM2.7 billion) while our net operating profit (NOP) was RM12.3 billion.

Although the aviation business recorded a slight decrease in revenue to RM16.8 billion, this was due to the 11-month revenue recognition and a tourism slowdown in Thailand due to safety concerns. AirAsia's operations in Indonesia and Cambodia performed particularly well, recording operational profits from the third quarter onwards and we expect the Philippines to turn around soon.

Our non-aviation businesses performed very well to record a cumulative revenue of RM3.18 billion, up 13% YoY, together with an EBITDA of RM11.8 billion and NOP of RM11.5 billion, attributable to the gain on disposal of subsidiaries amounting to RM11.3 billion.

Leveraging capacity growth, ADE's revenue increased by 25% to RM894 million along with more maintenance checks and an enlarged third-party customer base. It also ended the year with improved EBITDA and NOP of RM205 million and RM93.5 million, reflecting scale benefits and enhanced financial efficiency.

Following the launch of a B2B platform and expanded airline partnerships, AirAsia MOVE's performance improved significantly in the fourth quarter, with revenue tripling QoQ and doubling YoY. For the full year, revenue exceeded RM485 million while EBITDA was RM84 million and NOP RM65 million, leading to a PBT of nearly RM53 million.



Teleport's cargo volume hit a record 347,885 tonnes, 18% higher YoY, while the number of parcels moved almost doubled to 167 million, contributing to an 14% increase in revenue to RM1.2 billion. Significantly, it turned around a net loss of RM21 million into a net operating profit with strict cost and margin discipline as well as successful refinancing of a Deutsche Bank loan.

Despite the internal restructuring, AirAsia Next saw its EBITDA and NOP come in at RM118 million and RM95 million. While preparing for business expansion in 2026, Santan achieved an 8% increase in revenue to RM208 million while EBITDA increased 27% to RM14.5 million and NOP improved steadily to RM9.7 million. Its PBT margin was also healthy at 4.5% with PBT coming in at RM9.4 million.

Sustainability

As we build an aviation and travel ecosystem that serves everyone, sustainability remains integral to our long-term strategy. In 2025, we leveraged the ASEAN-EASA workshop on operational efficiencies to build on our sustainable aviation advocacy and secured a milestone Memorandum of Understanding with the Civil Aviation Authority of Thailand (CAAT) to advance the adoption of sustainable aviation fuel (SAF).

At the same time, to promote transparency, we are creating visibility of guests' carbon footprint by disclosing the average emissions per seat for every flight on the AirAsia MOVE app, thereby empowering our guests to make informed travel decisions. On the tarmac, we continue to introduce increasingly innovative systems, this year piloting the Aerowash exterior dry-cleaning technology—a forward-thinking initiative that drastically reduces our water consumption while improving aircraft aerodynamics and fuel efficiency.

> **"In 2025, we leveraged the ASEAN-EASA workshop on operational efficiencies to build on our sustainable aviation advocacy and secured a milestone Memorandum of Understanding with the Civil Aviation Authority of Thailand (CAAT) to advance the adoption of sustainable aviation fuel (SAF)."**

Within the workplace, we always look for ways to further enhance gender equality and diversity more broadly. This saw AirAsia become a signatory to the UN Women and UN Global Compact's Women's Empowerment Principles as of May 2025. Demonstrating a deep-seated respect for the diverse cultures that represent the Group, as well as the communities we serve, we also introduced a more inclusive cabin crew uniform policy that provides a hijab option for female Allstars.

Foundational efforts such as these underpin our position as a global leader in aviation sustainability. We are proud to share that AirAsia ranks among the top five airlines globally in the latest benchmarked FTSE Russell ESG ratings. We also achieved a 45% score in the S&P Global Corporate Sustainability Assessment, surpassing the global airline industry average; earned a perfect 10 score in the 42kft.com global environmental audit; and were named among the top three low-cost carriers in AirlineRatings.com's inaugural sustainability awards.

Amid our massive corporate restructuring, we look forward to building on this strong foundation. By prioritising both good governance, environmental stewardship and social equity, we will ensure our business remains highly resilient, creating long-lasting value for our guests, our Allstars and all our stakeholders for years to come.

Outlook

Taking the rollercoaster year 2025 as a whole, we are very pleased with what we've achieved. Our focus was clear: to complete Capital A's restructuring and our regularisation plan with the ultimate objective of exiting PN17. We have achieved the first two goals. Now, we are awaiting Bursa Malaysia's response to our application for PN17 to be lifted. Meanwhile, without the regularisation plan consuming all our energy, we are 100% focused on growing our five businesses. We have even appointed a new Deputy CEO, Effendy Shahul Hamid, who has extensive digital banking and financial services experience to provide his expertise in this regard.

The US-Israel war on Iran has significant economic repercussions, which will necessarily have a trickle-down impact on Capital A. We are therefore keeping a close eye on developments and will take all precautionary measures to protect our businesses.

We have intensified our focus on operational discipline through group-wide cost-optimisation initiatives. To mitigate rising input costs, we have implemented dynamic pricing and surcharge adjustments. Simultaneously, we are leveraging AI and advanced data analytics to drive precision marketing and product bundling.

Separately, ADE has plans to expand into Thailand and the Philippines and is finalising a USD100 million debt facility to strengthen its capital base for this purpose. Teleport, meanwhile, raised USD50 million in pre-IPO growth capital from HPS Investment Partners in January 2026, placing it on a strong footing to accelerate its growth momentum in 2026 and beyond.

MOVE is leveraging user-generated content to create a community platform that will attract higher-intent users. It is also further advancing its technology to launch more user-attractive features such as a virtual concierge. AirAsia Next will be launching licensing ventures which will bear the signature AirAsia DNA of inclusivity, innovation and value. It is also building an integrated ecosystem for its licensees including a fintech and loyalty platform. The long-term goal for Santan is to take Asean food global. In 2026 itself, the team will build Santan's presence on the ground through grab & go opportunities in partnership with retail outlets while also setting up distribution points for guests to purchase Santan before and after their flights.

In other words, the future holds great potential for Capital A and our companies. We are now working on various listings to tap the market for capital that would significantly help each company realise its true value. We have revived plans for a listing on Nasdaq for AirAsia Next and hope to be able to provide more updates soon. ADE and Teleport will follow suit.

The plan is eventually to list all the companies so they can continue to chart their own growth independently of Capital A while drawing synergies from this amazing ecosystem.

It's been a very challenging few years since Covid, but we've come through relatively unscathed once more. Words cannot describe how excited we are, soon, to be finally rid of PN17. We have saved an airline that makes millions of dreams come true. We have placed five companies on an assured growth trajectory. And, through succession planning, we have an excellent team of leaders who are ready to write the next chapter of Capital A once we take our curtain call. This may be just a little while yet. But the stage is set. And our companies are ready to soar.

OUR BUSINESS MODEL

We leverage our capitals to create short, mid and long-term value for Capital A and our stakeholders as we continue to grow and evolve. All lines of business (LOBs) within the Group have adopted the AirAsia model of innovation-led efficiencies leading to inclusive, affordable and quality service along with an elevated customer experience.

INPUTS → OUR BUSINESSES → OUTPUTS IN 2025 → OUTCOMES

FINANCIAL CAPITAL
The funds that support our operational expenses and business growth, including shareholders' equity, borrowings as well as retained earnings.

MANUFACTURED CAPITAL
Physical assets owned or used across the Group, from our aircraft, freighters, hangars, cargo terminals and warehouses, to headquarters and stations across the region. We also have food hubs where Santan's menu is prepared.

INTELLECTUAL CAPITAL
Our intangible assets, including the ~USD2 billion AirAsia brand plus all Capital A business brands, our data base, AirAsia MOVE app, proprietary innovations (ADE's AEROTRADE® and ELEVADE™), loyalty programme, fintech, organisational and governance systems, risk management processes, sustainability leadership and more.

HUMAN CAPITAL
The capabilities and passion of 9,225 Allstars who have driven our restructuring and business growth; as well as the Boards of Directors across Capital A and subsidiary companies.

SOCIAL & RELATIONSHIP CAPITAL
All our stakeholders – guests/customers, business partners, suppliers, investors, regulators, AirAsia Foundation grantees, local communities – as well as the strength of our relationships with them.

NATURAL CAPITAL
Natural resources used, such as jet fuel, oil, diesel, water, paper and other raw materials in packaging, food, etc.

ADE
- Offers data-driven engineering & MRO services and the AEROTRADE® B2B marketplace

Asia Digital Engineering (ADE)
- 87 C-checks, contributing to total of 280 C-checks to date
- 28,473 repairs, including NDT inspections, component overhauls and sheet metal repairs
- Handled 10,000 monthly transits across 20 airports in Asean

teleport
- Provides airport-to-airport cargo solutions using a network of passenger and freighter aircraft, customisable end-to-end last-mile cross-border delivery services, and next-day, door-to-door cross-border parcel delivery service

Teleport
- Moved 347,885 tonnes of cargo and 167 million parcels, 18% and 99% higher YoY, respectively
- 14% increase in revenue YoY to RM1.2 billion
- 32% increase in eCommerce revenue to RM425 million

AirAsia MOVE
- A comprehensive travel and lifestyle ecosystems specialising in community-based value travel on ~700 airlines, accommodation in over a million hotels, airport transfers, travel insurance, duty-free shopping, ticketing for attractions, live events and more

AirAsia MOVE
- Onboarded six new airline partners with direct ticketing authority
- Achieved average ancillary attach rate of 62%
- Increased total hotel bookings by 24.5% YoY
- Grew Duty-Free GMV 603% YoY with prebook revenue increasing by 25%
- Improved overall NPS by 5 points

AirAsia Next
- Branding and IP specialist focused on licensing the AirAsia brand in a complete ecosystem including a loyalty programme and fintech payments

AirAsia Next
- Partnered SEGA on multiple brand activations
- Launched AirAsia Buds Adventures animated series on YouTube
- AirAsia stepped up Asean presence through Roblox via "AirAsia World"

santan
- Inflight caterer turned B2B food business delivering to retail outlets, hotels, hospitals and corporate offices

Santan
- Served 19 million inflight meals, 7% YoY growth
- Achieved RM208 million revenue, 8% YoY growth
- Non-AirAsia business represents 10% of total revenue
- Developed Grab & Go and FMCG lines

AirAsia / GTR
- AirAsia airline (which was divested at year end)
- Ground-handling services

Aviation*
- Six more aircraft reactivated
- Flew total of 58.3 million guests
- Achieved load factor of 84%
- Total ancillary income reached RM3.2 billion, at RM52 per pax
- Launched over 30 new routes across Asean
- GTR handled over 25 million passengers and close to 160,000 tonnes of cargo

SUPPORTED BY

Good governance | Robust safety & risk management | ESG principles

* *Operating statistics for the period between 1 January to 3 December 2025, in accordance with the completion of the disposal of aviation business to AirAsia X*

ECONOMIC
- Achieved RM12.3 billion in NOP which was distributed through:
  - RM10.9 million in taxes
  - RM2.6 billion in salaries

ENVIRONMENTAL
- Total GHG emissions (Scopes 1-3): 7,010,807 tCO_2e (2024: 6,597,092 tCO_2e)
- Carbon intensity ratio: 62.9 gCO_2/ASK; 76.3 gCO_2/RPK (2024: 63.7 gCO_2/ASK; 72.3 gCO_2/RPK)
- Non-renewable electricity purchased: 21,067 MWh (2024: 18,146 MWh)
- Non-hazardous waste generated: 2,495 tonnes (2024: 1,714 tonnes)
- Recycled 40,980 kg of office waste (2024: 30,866 kg)
- Water consumption: 170,942 m^3 (2024: 107,033 m^3)

SOCIAL
- 17% women on the Board; 19% in leadership
- 8.3% female pilots
- 912 Allstar volunteering hours
- 21.8% expenditure on local suppliers
- Maintained 7/7 Stars Safety Rating
- RM196,760 disbursed to support growth and expansion of social enterprises in Asean through AirAsia Foundation
- RM1,009,590 in contributions for uplifting and empowering communities in Asean

GOVERNANCE
- 100% new Allstars completed training on the Code of Conduct & ABAC Policy
- Zero confirmed incidents of bribery and corruption
- 6,739 Allstars completed anti-harassment training
- 4,255 Allstars completed anti-trafficking e-learning module

STAKEHOLDER ENGAGEMENT

Our stakeholders are crucial to our success, possessing a significant interest in and directly impacting and influencing, our business. We ensure that all stakeholders' concerns, interests and expectations are consistently addressed through regular, proactive communication across multiple platforms.

BOARD OF DIRECTORS

Engagement Channels:
- Board meetings
- Annual General Meetings
- Corporate events
- Extraordinary General Meetings

Areas of Interest:
- Financial performance
- Corporate governance (CG) & strategies
- Business development & partnerships
- Human capital management
- Sustainability practices

How We Respond:
- Focus on enhancing our branding and expanding lines of business
- Adopt sustainable practices

EMPLOYEES (ALLSTARS)

Engagement Channels:
- Workvivo
- Employee appraisals
- Community engagement
- Online surveys
- Townhalls
- Cultural, sports, well-being & appreciation events
- Open office layout

Areas of Interest:
- Diversity, inclusion & equal opportunity
- Corporate CG practices
- Training & career development
- Work-life balance
- Financial performance
- Fair remuneration & compensation
- Security, safety & welfare
- Mental health support system

How We Respond:
- Foster inclusivity and positive relationships through employee engagement programmes
- Provide frequent updates on the Group's performance and changes in policies and procedures
- Provide training and skills enhancement opportunities
- Ensure fair compensation
- Provide safe and healthy working environment
- Daycare centre/creche and lactation room

BUSINESS PARTNERS

Engagement Channels:
- Regular meetings
- Financial institutions & aircraft investor credit roadshows
- Workshops & seminars
- Global aviation finance conferences
- Technical support based in RedQ
- Commercial support with GE based in KL & Airbus based in Singapore

Areas of Interest:
- Agreeable terms and contracts
- Service delivery and cost
- Risk management
- Regulatory compliance

How We Respond:
- Strengthen partnerships with agreeable terms and contracts

CUSTOMERS (GUESTS)

Engagement Channels:
- Continuous customer satisfaction surveys
- Online submissions
- Customer support live chat
- Social media
- Messenger channels
- AirAsia sales offices, travel & service centres

Areas of Interest:
- Customer experience
- Process efficiency
- Competitive pricing & experience throughout physical/ digital journey
- Data privacy & security
- Safety & well-being
- Loyalty rewards

How We Respond:
- Provide fast and prompt response to customer requests
- Continue to increase customer satisfaction through process efficiency
- Protect customers' data as well as their health and safety
- Responsible marketing and communications

INVESTORS

Engagement Channels:
- Investor meetings & conference calls
- Annual General Meetings & Extraordinary General Meetings
- Investor Relations website
- Investor briefings by Senior Management
- Annual Reports

Areas of Interest:
- Financial performance
- CG practices
- Long-term business strategy
- Brand management
- Operational performance
- Occupational health & safety
- Customer relationship management
- Innovative initiatives
- EES management

How We Respond:
- Actively communicate with investors
- Provide timely updates on business performance & strategies
- Focus on enhancing our branding and expanding lines of business
- Ensure safe & healthy working environment
- Adopt sustainable practices

MARKET ANALYSTS

Engagement Channels:
- Analyst briefings, meetings & conference calls
- Media interviews & releases
- Investor Relations website
- Annual Reports

Areas of Interest:
- Financial performance
- CG practices
- Long-term business strategy
- Brand management
- Operational performance
- Guest experience
- Environmental management
- Data privacy & security

How We Respond:
- Continued engagement with analysts
- Timely updates on business performance & strategies
- Focus on enhancing our branding and expanding lines of business
- Sustainability practices

REGULATORS/GOVERNMENTAL BODIES

Engagement Channels:
- Regular dialogue through face-to-face meetings & official correspondence
- Parliamentary sessions
- Formal meetings with government officials initiated by Capital A
- Tours and familiarisation visits to Capital A premises

Areas of Interest:
- CG practices
- Policy & regulatory compliance
- Risk & crisis management
- Data privacy & security
- EES management

How We Respond:
- Engage closely with regulators and governmental bodies
- Announce or report relevant information in a timely manner
- Maintain standards and certifications

SOCIAL ENTERPRISES

Engagement Channels:
- Corporate community programmes
- Funding of social enterprises through AirAsia Foundation
- Regular dialogue
- Events

Areas of Interest:
- Ethics & integrity
- Innovation
- Job creation
- Economic development

How We Respond:
- Create support system for social enterprises
- Actively communicate with social entrepreneurs
- Increase employability and job creation

SUPPLIERS

Engagement Channels:
- Regular dialogue and reviews
- One-to-one meetings

Areas of Interest:
- Agreeable terms & contracts
- Service efficiency, value, delivery & cost
- Health & safety

How We Respond:
- Ensure consistent communication with suppliers on contracts and Supplier Code of Conduct
- Compliance with required policies
- Provide safe and healthy workplace

LOCAL COMMUNITIES

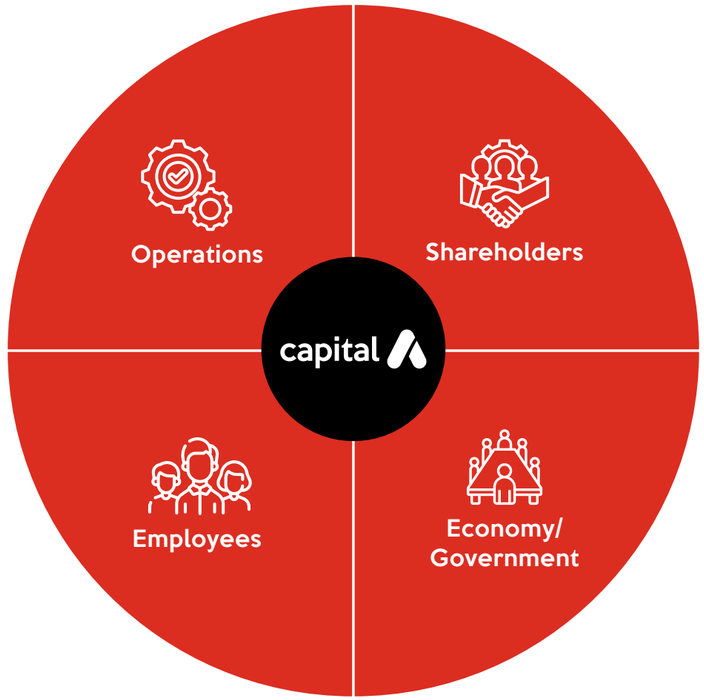
Engagement Channels:
- Community development programmes
- Corporate social responsibility initiatives
- Partnerships and employee volunteerism
- Websites and social media platforms

Areas of Interest:
- Community engagement
- Rural development & empowerment
- Environmental and social impacts

How We Respond:
- Undertake empowerment programmes, volunteerism and donations
- Provide humanitarian assistance and post-disaster relief

HOW WE DISTRIBUTE VALUE CREATED

We deliver value to our stakeholders in the form of financial and other intangible benefits.



Shareholders

We successfully executed a dividend-in-specie distribution of AirAsia X shares, providing shareholders with direct ownership in the aviation business following its strategic disposal.

Economy/Government

A total of RM10.9 million in taxes was paid, contributing to economic development.

Operations

Focused on optimising operational efficiencies and sustaining our growth strategies, we generated RM5.6 billion in net cash from operating activities.

Employees

Our Allstars remained a priority, with RM2.6 billion allocated to salaries and rewards.

STRATEGIC REVIEW

MATERIAL MATTERS

Materiality assessments are fundamental to our sustainability strategy, enabling us to identify sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. To ensure these matters remain relevant amid evolving market trends and regulatory shifts, we conduct a formal materiality review at least biannually, or upon the occurrence of significant events or changes in circumstances. This dynamic process ensures our disclosures remain decision-useful for primary users and enhances our ability to proactively manage our strategic resilience.

Materiality Assessment

In 2025, we embarked on a high-level materiality refresh to evaluate the continued relevance of our EES topics within the current dynamic landscape. This refresh was conducted based on Bursa Malaysia's Materiality Assessment Toolkit, following these steps:

1

Identify

Following a review of our existing material matters, we researched potential issues based on emerging risks, Bursa Malaysia's common set of prescribed sustainability matters, international sustainability rankings and indices and peer companies' sustainability disclosures. A total of 12 material matters were ultimately identified.

2

Assess and Prioritise

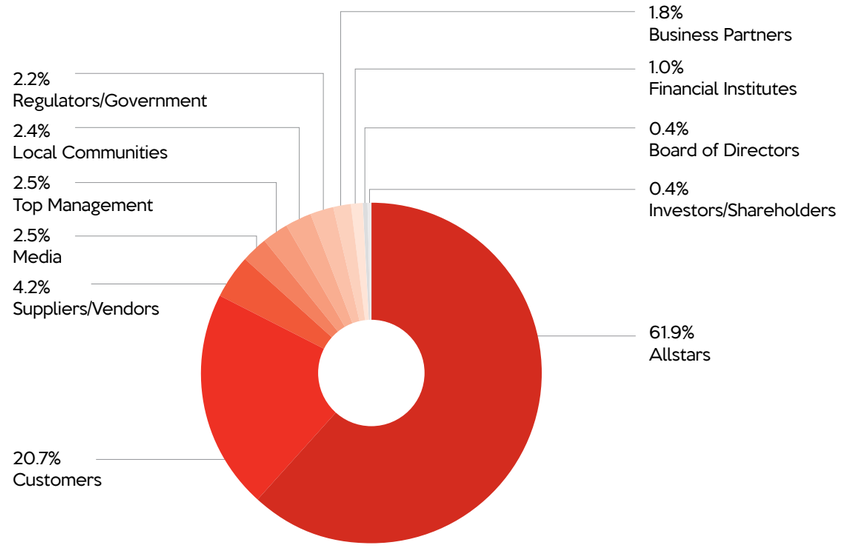
An online materiality survey was distributed to all key stakeholders, inviting them to rank the 12 identified material matters according to the level of importance to them and impact on the Group. We received 1,373 responses. The results were subsequently weighted to reflect relative significance and then plotted in a materiality matrix, graded from high to very high importance.

3

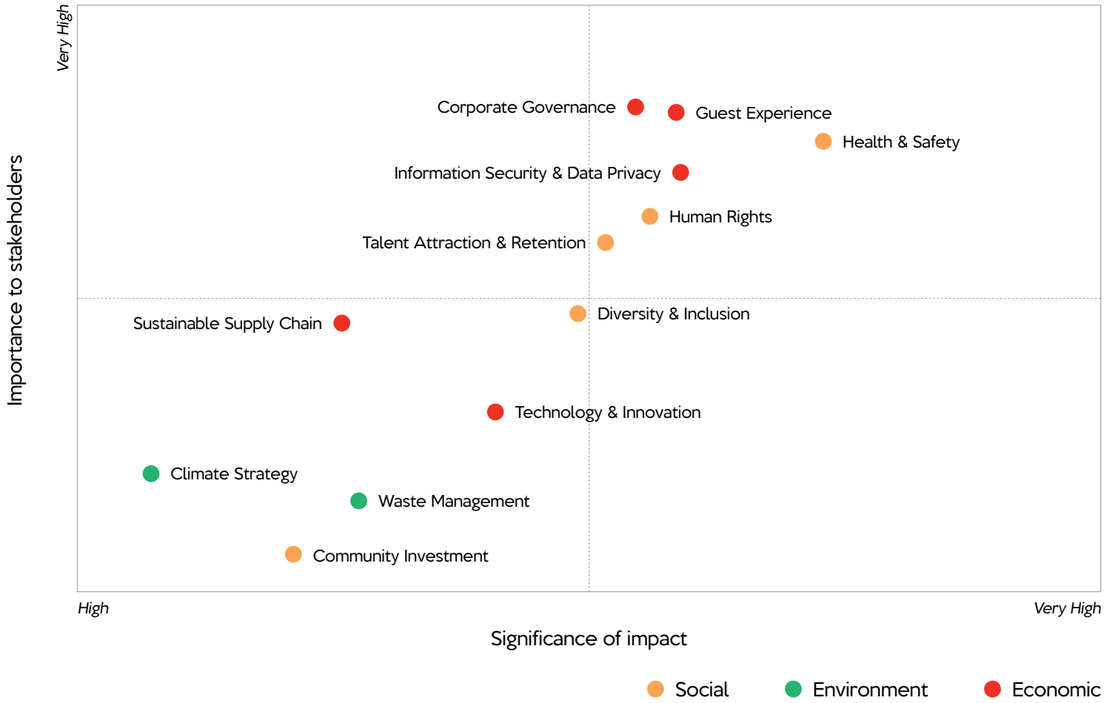
Validate

The final list of material matters, together with the compiled stakeholder feedback and the resulting materiality matrix, was presented to the Risk Management and Sustainability Committee (RMSC) for review and final validation.

Stakeholder Feedback Profile



Materiality Matrix



Notes:
In line with Bursa Malaysia's enhanced sustainability reporting requirements under the Listing Requirements on common material matters:
1. *"Anti-Corruption" is covered under "Corporate Governance"*
2. *"Energy Management" and "Water" are managed under "Climate Strategy"*
3. *"Labour Practices and Standards" is managed under "Diversity & Inclusion" and "Human Rights"*

While fundamentals such as Occupational Health & Safety and Guest Experience remain at the core of our operations, our 2025 materiality assessment reveals a strategic evolution in broader stakeholder expectations. Specifically, three material matters have seen a significant upward shift in prioritisation:

- **Corporate Governance & Financial Resilience:**
  Post-recovery dynamics have amplified stakeholder demands for heightened financial transparency and corporate accountability. There is a clear emphasis on sustained profitability, rigorous cost management and the execution of a definitive, transparent roadmap towards financial resilience.
- **Human Capital & Talent Retention:**
  As we accelerate our strategic business transformation, stakeholders view the acquisition and retention of specialised digital and technical talent as a critical operational risk. Proactive investment in employee upskilling and reskilling is increasingly recognised as vital to mitigating turnover and sustaining a competitive advantage.
- **Sustainable Supply Chain Management:**
  In direct response to tightening global ESG regulatory frameworks, stakeholders expect more rigorous oversight of our value chain. Proactive risk management and vendor sustainability compliance are now viewed as essential mechanisms to safeguard our corporate reputation and ensure uninterrupted market access.

Corporate Governance

Operating with integrity and transparency by upholding the highest standards of corporate governance and ethical conduct to ensure the trust and best interests of our stakeholders.

Why It Matters

Given that our business spans a broad range of portfolios—including airlines, aircraft MRO, logistics, a travel platform, F&B brand and brand licensing/IP division—it is critical that we uphold the highest standards of integrity across all operations.

Risks

Potential for breaches of laws and regulations or corrupt activities, which could result in significant reputational damage and/or financial loss.

Opportunities

Proactive adherence to the highest governance standards and best practices enhances stakeholder confidence and supports sustained business growth.

Sustainable Supply Chain

Reinforcing a sustainable supply chain through our Supplier Code of Conduct and Sustainable Supply Chain Policy, which outline the minimum expected standards of ESG best practices for all our suppliers.

Why It Matters

As a responsible organisation with a wide range of critical suppliers across our Lines of Business (LOBs), the performance of our supply chain directly influences and impacts the Group's overall sustainability progress.

Risks

Exposure to high ESG risk suppliers, which could lead to potential business disruption, operational instability and/or the loss of competitive advantage.

Opportunities

By systematically integrating sustainability practices throughout the supply chain, we are able to proactively mitigate risks associated with environmental, social and evolving regulatory factors, positioning the Group for resilient growth.

Guest Experience

Building trust and loyalty with customers through the continuous enhancement of our customer experience and service quality, aimed at achieving greater satisfaction.

Why It Matters

Our continued success and sustainable growth are fundamentally dependent on the positive experience and satisfaction of our customers. By staying ahead of customers' evolving expectations, we are able to create long-term value for them.

Risks

The inability to consistently meet customers' demands and expectations might result in damage to our brand and reputation, potentially impacting market share.

Opportunities

Regular and effective interaction with customers enables the continuous improvement and innovation of our products and services, fostering loyalty and supporting business expansion.

Technology & Innovation

Harnessing technology to innovate, build partnerships and unlock new opportunities for business growth as we transition to become a multi-platform travel and digital group.

Why It Matters

Technology and innovation are central to our sustained success and growth. By consistently providing seamless digital solutions, we reinforce the company's competitive advantage against competitors.

Risks

Potential for loss of competitive advantage and market relevance, leading to erosion of market share if technology adoption lags.

Opportunities

Creating a digital experience that is seamless, distinctive and highly personalised for our customers, thereby driving engagement and long-term value.

Information Security & Data Privacy

Safeguarding data privacy and information security for Allstars, customers and all third parties by upholding robust and resilient cybersecurity systems.

Why It Matters

Given the extensive volume of sensitive data pertaining to Allstars and customers, it is essential for us to protect this information and ensure full regulatory compliance across all jurisdictions.

Risks

Exposure to data breaches and information leakage due to ineffective cybersecurity measures, potentially resulting in the loss of business continuity, sensitive customer data and stakeholder trust.

Opportunities

Execution of a strategic information security programme designed to achieve world-class standards, thereby strengthening our competitive position and trust with digital customers.

Climate Strategy

Taking responsibility for our climate impact by establishing a comprehensive net zero strategy and actively managing our climate-related risks and opportunities. This encompasses the management of our greenhouse gas (GHG) emissions, energy consumption and water usage.

Why It Matters

Given the increase in climate change events in recent years, it is critical to mitigate and adapt to climate-related risks, while ensuring proper resource management for long-term business resilience.

Risks

Potential for business disruption from physical climate risks, loss of competitiveness due to transition risks (eg policy changes), deprioritisation by financial institutions for funding and significant reputational damage.

Opportunities

Effective emissions management and a strategic net zero roadmap will help build operational resilience, enhance adaptation readiness and positively influence our ESG valuation.

Waste Management

Monitoring and managing waste generated across the Group by actively practising the principles of reduce, reuse and recycle. This includes waste originating from our operations, offices and packaging materials.

Why It Matters

Efficient waste management prevents unnecessary waste generation while directly contributing to operational efficiency and cost savings. Furthermore, it enhances our brand reputation and supports long-term sustainability goals.

Risks

Failure to meet stakeholders' expectations regarding waste management may result in potential regulatory risks (eg non-compliance penalties) and significant reputational damage.

Opportunities

Effective waste management programmes offer the opportunity to inculcate sustainable practices among Allstars and within the communities we serve, driving positive change and alignment with our values.

Health & Safety

Prioritising and protecting the health and safety of all Allstars and customers throughout our operations. We inculcate a culture of safety via robust operational and occupational management systems and awareness initiatives.

Why It Matters

Ensuring the health and safety of our stakeholders is of utmost importance as it directly influences our licence to operate and reinforces the trust customers place in us.

Risks

Poor Occupational Safety, Health and Environment (OSHE) performance, potentially resulting in significant business and operational impacts, alongside regulatory non-compliance and reputational risks.

Opportunities

The successful inculcation of a strong safety culture among Allstars leads directly to increased operational reliability, efficiency and sustained business confidence.

Diversity & Inclusion

Embracing a diverse and inclusive workforce where fair representation is reflected at all levels and all Allstars are treated with respect and dignity, receiving equal opportunities.

Why It Matters

Diversity actively brings in a broader range of ideas and experiences, simultaneously widening access to the best talent, which collectively leads to an improved corporate culture and better decision-making.

Risks

Lack of diversity can limit the variety of perspectives and ideas, potentially hindering innovation, creativity and effective problem-solving across the Group.

Opportunities

By strategically leveraging diversity and inclusion, we can create a more equitable and engaging workplace, driving positive business outcomes and strengthening our relevance to a diverse customer base.

Talent Attraction & Retention

Attracting top talent and investing significantly in the training and development of our talent pool, while actively nurturing Allstars to achieve both personal and professional growth.

Why It Matters

The successful implementation of our business strategies and future growth relies heavily on the capabilities and commitment of our Allstars. As a responsible employer, we aim to provide a consistently enabling working environment for all our people.

Risks

Failure to attract and retain key talent can lead to reduced competitiveness, operational inefficiency and the potential loss of market share.

Opportunities

Establishing robust talent management plans to proactively develop and attract capable talent ensures leadership continuity and supports the Group's expansion objectives.

Human Rights

Respecting the basic rights and freedoms of all Allstars, while actively preventing human trafficking, forced labour, child labour and discrimination within our business operations and extended value chain.

Why It Matters

Like all global businesses, we face the inherent risk of being exposed to human rights abuses in our own operations and supply chain, particularly given the aviation industry's extensive connection to several sectors with potential human rights impacts.

Risks

Violations of human rights might lead to serious reputational damage, operational restrictions and a significant loss of stakeholder trust.

Opportunities

Upholding high human rights standards strengthens stakeholder trust and builds our reputation as a fair and equitable employer, which in turn attracts high-quality talent and delivers various business benefits essential for sustained growth.

Community Investment

Empowering and investing in our communities through targeted initiatives that support gender equity, sustainable travel and Asean community-building.

Why It Matters

As a Group with extensive operations across Asean, we recognise our responsibility to empower people through relevant skills development and education programmes, contributing to social progress in the region.

Risks

Potential for financial and brand implications when there is a perceived imbalance or misalignment between our operations and social, economic and environmental community needs.

Opportunities

Strategic investment in communities not only strengthens our key relationships but also enhances our credibility and drives positive, long-term sustainability outcomes essential for regional acceptance and growth.

STRATEGIC REVIEW

OPERATING ENVIRONMENT

INCREASING DEMAND FOR MRO

A direct consequence of restricted delivery of new aircraft is the extended use of existing planes, hence ageing fleets across the globe. This, in turn, has resulted in a surge in demand for MRO services and especially for engine maintenance.[1] In the current seller's market, hangars are operating at full capacity, with maintenance slots booked 18 to 24 months in advance. Industry focus has accordingly shifted from customer acquisition to managing operational constraints. Persistent supply chain fragility, chronic labour shortages and the scarcity of legacy engine materials are among the most pressing challenges. Adding to current complexities, certification standards are becoming more stringent and it is increasingly difficult to source critical parts.

Impact

- To maintain a competitive edge, MRO players are focusing more on efficiency and digital integration, investing in increasingly advanced technologies such as predictive maintenance while retrofitting existing platforms with upgraded digital systems.
- There has been an increase in the number of strategic partnerships and acquisitions, enabling enhanced capabilities in engine maintenance and avionics upgrades to meet customer requirements.
- With government support, Asia Pacific and the Middle East are emerging as key MRO growth centres, capturing a larger share of heavy maintenance work, intensifying competition and accelerating market evolution.

Our Response

- ADE uses ELEVADE™ to provide predictive fleet health monitoring for over 200 aircraft.
- To overcome supply chain risks and source critical parts, ADE operates AEROTRADE®, a B2B parts marketplace with over USD80 million in active inventory.
- To meet the demand for specialised maintenance and upgrades, ADE is actively pursuing strategic partnerships with major original equipment manufacturers (OEMs). Through prospective agreements, it aims to expand its workshop service offerings to include Engine, APU, Engine Nacelle and Radome shops.
- Leveraging its proven expertise (with over 280 heavy C-checks completed to date) to counter the industry's stretched resources and hangar constraints, ADE is aggressively expanding its base maintenance capacity from 16 hangar lines to 40 lines by 2029. This targeted growth includes building new base maintenance hangars in Bahrain, Thailand and the Philippines while extending line maintenance operations across Thailand, the Philippines, Bahrain and Vietnam.

Outlook

Currently valued at USD112.7 billion, the global commercial aircraft MRO market is expected to grow at a compound annual growth rate (CAGR) of 3.9% from 2026 to 2035. As older aircraft are being operationalised more than ever before, there is greater need for deeper, more capital-intensive maintenance, driving revenue growth while severely stretching industry resources.

[1] *ePlane AI: Commercial aircraft MRO market set to reach USD165 bil by 2023, driven by engine maintenance demand, 21 Jan 2026*

GLOBAL TRADE, eCOMMERCE DRIVING AIR CARGO

Despite volatile trade policies in 2025, global trade remained resilient with air cargo acting as a critical enabler for the movement of goods, ensuring they arrived ahead of announced tariff deadlines and facilitating the rerouting of exports from China to alternative markets. Based on data from 47 countries representing 39% of global trade, the value of trade transported by air increased by 25% YoY from January to August 2025.[2] This far exceeded the 7% increase in value of trade across all transport modes, with trade by sea growing by less than 1% YoY. Air cargo is especially critical for time- and temperature-sensitive products such as food and pharmaceuticals.

Impact

- Increased demand for air cargo and the transport of eCommerce parcels puts pressure on airport infrastructure and air cargo facilities.
- Demand outstripping supply is likely to increase freight rates, challenging smaller entrepreneurs.
- Given supply chain uncertainties, there is increasing demand for optimised and more transparent routing for customers.

Our Response

- Teleport doubled down on its eCommerce-first model and focused on strengthening its business fundamentals to ensure operational resilience in the long run. This included strengthening the Teleport Network® to better serve eCommerce while maintaining consistent cost discipline and control over its unit economics to ensure the ability to scale profitably.
- The Teleport Network® grew deeper with its 55+ partner airlines, notably Middle Eastern airlines and China-based airlines, enabling more eCommerce volume to flow from China into key global eCommerce corridors.
- Secured pre-IPO growth capital of USD50 million from HPS Investment Partners, part of Blackrock, to lock in strategic capacity and accelerate global expansion, ensuring Teleport remains ahead of the curve as it prepares for global scale in 2026.

Outlook

While trade growth may decelerate in 2026, air cargo is well positioned to remain robust, benefiting from AI-driven investment, growing demand for high-value, time-sensitive goods and the structural shift towards eCommerce. In times of uncertainty and when speed matters most, air freight remains the preferred option. As a result, air cargo traffic is projected to grow by 2.6% in 2026.[3]

[2] *IATA Global Outlook: Trade, AI and the Energy Transition, December 2025*
[3] *IATA Global Outlook: Trade, AI and the Energy Transition, December 2025*

TRAVEL GOING THE WAY OF OTAs

Online travel agents (OTAs) are growing at an exponential rate, with the market expected to reach USD617.9 billion by 2031, driven by consumer preference for one-stop shopping, price comparison and user reviews. For airlines and hotels, OTAs serve as powerful marketing channels to boost visibility and fill capacity. For smaller businesses, they also represent access to a global audience. Younger travellers and the digital savvy are driving the trend, forcing OTAs to improve mobile-friendly interfaces and offer personalised experiences. The ability to chat with others online is an added plus. Asia Pacific is one of the fastest-growing OTA markets due to an expanding middle class as well as high internet penetration and smartphone ownership.

Impact

- Travellers are scrolling OTA sites more often than booking directly on airline or hotel websites in order to compare prices and be sure of getting the best deals.
- OTAs need an extensive inventory of products (airline flights, hotel rooms, car rental, event bookings, etc) to offer the most convenient or most cost-effective deals.
- The digital platform needs to be easy-to-navigate to attract users and convert views to bookings.
- Amid competition, OTAs are developing virtual travel assistants to help users plan and manage trips with personalised recommendations.
- They are also introducing hotel price tracking, using machine learning to alert users to the best booking times, making travel planning faster and smarter.

Our Response

- MOVE is leveraging its dominant position in regional flight traffic to drive an organic-first flywheel, using AirAsia Flights and Stays as the foundation for a robust travel ecosystem.
- By combining strategic airline and hotel partnerships, MOVE delivers unique SNAP travel bundles that significantly increase attach rates and offer unmatched regional value.
- Technology investments ensure a continually improving platform, driving stability, speed and frictionless booking.
- MOVE fosters a genuine travel community within the app to attract higher-intent users, while addressing specific regional needs through local experts.

Outlook

OTA growth is expected to continue to accelerate, especially in emerging markets such as Asia Pacific and Latin America, with regulatory frameworks evolving to support this growth. Recognising these as high-growth markets, more established OTAs will seek to localise their offerings to cater to local tastes and preferences. To differentiate themselves and attract travellers, smaller OTAs need to use their in-depth understanding of their markets to offer a more targeted and personalised experience driven by AI and machine learning.

GROWING TASTE FOR ASEAN FAST FOOD

Across Asia Pacific, there is a marked increase in fast food consumption, driven by growing disposable incomes and a shift in dietary habits towards convenience foods. While the market is currently dominated by Western brands, there is an opportunity for fusion convenience/fast food, blending traditional Asian flavours with Western staples. Already, some well-known Western brands are localising their menus to capture local tastes.[4] At the same time, global demand for Asian cuisine has been growing, with more and more Asian F&B items found in international restaurants and cafes, while spices and ingredients are commonly displayed on supermarket shelves. Social media, globalisation and accessibility are creating demand for more foreign food that tastes good.[5]

Impact

- The fast food market in Asia Pacific was valued at close to USD353.76 billion in 2024 and is expected to grow at a CAGR of 5.7% to reach USD598.38 billion by 2034.
- As Asian flavours are "trending" in Western fast food, it opens the possibility for Asian/Asean F&B players to enter this market with authentic products.

Our Response

- The Santan menu celebrates Asean's diverse cuisine, highlighting the best from each country in the region.
- Developing on-ground business, especially grab & go opportunities, in partnership with established retail and F&B players.
- Simplifying the Santan menu for speed, consistency and repeat purchase with focus on portable, ready-to-consume items aligned with commuter and travel-led demand.
- Focus on scalable formulations suitable for mass production and longer shelf life for FMCG.

Outlook

With increasing globalisation, fast food will evolve to cater to more international tastes and preferences. As with regular and fine dining, eventually the most popular fast foods will blend ingredients and cooking styles from all over the world. As Asean cuisine already has a head start in terms of awareness and popularity, there will be great demand to incorporate Asian/Asean-style menus in the global marketplace.

[4] *ResearchAndMarkets.com: Opportunities in Asia Pacific's fast food market 2025-2034, 4 June 2025*
[5] *Kerry: 3 Asian flavours taking over the world, 10 September 2024*

AIR TRAVEL DEMAND CONTINUES TO OUTSTRIP SUPPLY

In 2025, global air travel grew 5.3%, driven by international demand which expanded by 7.1% compared to domestic at 2.4%. Growth in Asia Pacific was the strongest, with airlines in the region posting a 10.9% rise in full-year international traffic compared to 2024. Capacity increased by 10.2% and the load factor inched up 0.5 percentage points to 84.4%. The year's growth marked a moderation following robust post-Covid rebound and is more aligned with pre-Covid rates, mainly because of supply chain challenges which are causing delays in the delivery of new aircraft and engines to airlines while also causing bottlenecks across MRO service providers.

Impact

- High demand combined with limited capacity is increasing airline fares, making it more costly to travel.
- The slowdown in new aircraft delivery is requiring airlines to keep older, less fuel-efficient planes in service, increasing fuel and maintenance costs.
- Older planes are not as comfortable as newer ones, affecting the overall flying experience.
- High passenger loads are likely to create bottlenecks in airports, leading to long queues at critical points hence flight delays, cancellations and missed connections.

Our Response

- Accelerated fleet reactivation to maximise available capacity and capture the surge in international demand.
- Operated a total seat capacity of 69.8 million during the period under review, restoring the network to 88% of pre-pandemic levels and achieving a solid load factor of 84% prior to the completion of the aviation divestment in December 2025.
- Expanded the regional footprint to 136 destinations and 271 routes by year end, having launched 30+ new routes throughout 2025 to further strengthen our leadership in the Asia Pacific region and capture emerging travel corridors.
- Focused on heavy maintenance and securing engine availability through coordination with ADE to maintain fleet reliability and fuel efficiency despite global supply chain delays.
- Expanded digital self-service via the AirAsia MOVE app, including the introduction in 2025 of Auto Visa Check to streamline document verification and reduce terminal wait times for eligible international travellers.

Outlook

As per IATA's report in December 2025, IATA forecasts global air passengers traffic (measured in RPK) to grow 4.9% YoY in 2026, led by 7.3% growth in Asia Pacific. The latter is supported by strong economic momentum in markets such as China, India and Vietnam which is driving domestic and international travel, particularly within the region. Positively, record-high load factors support yields and profits and are expected to propel revenue to a new high exceeding USD1 trillion.

DISRUPTIONS EMANATING FROM THE MIDDLE EAST

Following the short (12-day) but intense outbreak of warfare between US/Israel and Iran in June 2025, hostilities reignited towards end February 2026 with fresh strikes on Iran prompting a retaliation. This has escalated into an all-out war that has been intensifying by the day and has expanded to involve other states in the region. Tensions between Iran and non-Islamic nations have been brewing since the 1979 revolution that saw the pro-Western Pahlavi regime be toppled by forces led by Ayatollah Khomeini. In more recent years, this has been compounded by fears concerning Iran's nuclear programme and the belief, as yet unverified, that it has developed nuclear weapons.

Impact

- Major airports and airspace in the Middle East have been shut, leading to flight cancellations, re-routings and schedule changes worldwide.
- Attacks on vessels have dramatically reduced traffic in the Strait of Hormuz, through which about 20% of global oil and gas supplies transit.
- Oil prices have climbed to USD106 a barrel as of mid-March 2026 from USD72 a barrel on 27 February.
- Higher airline operating costs may lead to higher average fares, which could support GBV and commission revenue under MOVE's transaction-based model.
- Higher fares driven by fuel prices would also expand the underlying fare value on which AirAsia Next's commissions are based.

Our Response

- AirAsia Aviation Group has activated established strategic safeguards, including a dynamic fuel surcharge, expansion of ancillary revenue and proactive capacity deployment to high-growth routes to support cost recovery.
- ADE is rerouting certain supply chains to ensure the timely delivery of critical items, minimising delays to only one or two days at the most.
- Teleport is closely monitoring developments in the region ahead of the planned launch of operations in collaboration with Bahrain Airport Company in Q2 2026.
- Teleport is also addressing elevated jet fuel prices through industry-standard fuel pass-through mechanisms with customers.
- Santan continues to monitor travel patterns closely and is adjusting product offerings, pricing strategies and marketing campaigns to optimise revenue per passenger.

Outlook

It is a matter of conjecture as to how the war pans out and what the global economic consequences will be. Suffice to say most nations would like to see a peaceful ceasefire in the shortest possible time.

STRATEGIC REVIEW

OUR STRATEGY/BLUEPRINT

Capital A is driven to transform and elevate lives across Asean. We achieve this by creating jobs and providing opportunities for all while connecting people, fostering cross-cultural exposure and appreciation. Just as we made air travel accessible through affordable fares, we are now focused on delivering exceptional value as we meet a wide range of travel and lifestyle needs through our diverse business portfolio. Our commitment to data-driven efficiency enables us to lower our costs and pass on those savings to our customers. Customer-obsessed, we are dedicated to our Allstars, empowering them to provide best-in-class service to everyone.

OUR PLAYBOOK

PURPOSE

Connecting People.
Transforming Lives.

VISION

Foster and provide access to the cultural richness of a united Asean

MISSION

Create accessibility and value through an ecosystem of low-cost, high-quality offerings

STRATEGIC THEMES

S1

Financial Sustainability

- High productivity
- Lowest cost

S2

Operational Excellence

- High productivity
- Operational excellence

S3

Data & Tech Driven

- Innovation and tech-led
- High performance

S4

Customer Obsessed

- Product leadership
- Customer obsessed

S5

People & Culture Focused

- Engaged Allstars
- High performance

S1 FINANCIAL SUSTAINABILITY

Return to profitability and be the lowest cost in our operating spaces through financial discipline with clear focus on delivering positive cashflow and getting the best shareholder returns.

2025 ACHIEVEMENTS:

- Capital A companies achieved positive results at net profit level in 2025
  - Revenue increased more than 13% supported by growth across all companies
  - All companies achieved EBITDA profitability
- Successfully returned to positive equity at RM921 million

2026 PRIORITIES:

- Achieve or surpass revenue, EBITDA and net operating profit (NOP) targets as disclosed in public guidance [Capital A]
- Continuous cost optimisation across all business units to maintain profitability [Capital A]
- Enhance financial discipline with stricter budget controls and cash flow management [Capital A]
- Pare down or refinance existing expensive debts, which were mostly secured during Covid to reduce interest cost [ADE]
- Fundraising for individual entities – to be used mostly for capacity expansion, technology and working capital [AirAsia MOVE, ADE, Teleport, AirAsia Next]



S2 OPERATIONAL EXCELLENCE

A highly productive and efficient organisation dedicated to delivering best-in-class products that meet customer needs precisely.

2025 ACHIEVEMENTS:

- **Business expansion of non-aviation companies**
  - Secured world-class certifications [ADE]:
    - Maintenance Organisation Approval (EASA.145.0967) from European Union Aviation Safety Agency (EASA)
    - Repair Station Certificate (ADNY458E) from US Federal Aviation Administration (FAA)
  - Diversified revenue stream beyond inflight to supply ready-to-eat meals to retail chains [Santan]
  - Secured +55 airline partners to date, further strengthening and diversifying on top of AirAsia's network and expanding belly space capacity from third-party airlines [Teleport]
- **Process improvement**
  - Develop additional in-house capabilities to reduce logistics lead time and expedite repairs and maintenance within own facilities, improving overall operational efficiency [ADE]
  - Launched and operationalised a new eCommerce Hub in KLIA, an eCommerce processing centre purpose-built to filter out dangerous goods ensuring every flight operates safely, reliably and on schedule [Teleport]
  - 99% crash-free rate while delivering over 35 features and 320 bug fixes in 2025, improving the overall Net Promoter Score (NPS) by five points [AirAsia MOVE]
  - Reduced inflight credit card decline rate from 15% to 6% [AirAsia Next]
- **Operational efficiency**
  - Fully utilised hangar lines in KLIA and Senai [ADE]
  - Delivered 347,885 tonnes of cargo in 2025, a record since inception [Teleport]

2026 PRIORITIES:

- **Capacity expansion**
  - Expand workshop capabilities and pursue strategic hangar acquisitions across the region to meet surging demand for aircraft MRO [ADE]
  - Secure more strategic freighter and belly space from airline partners to strengthen our capacity and connectivity mix, better supporting eCommerce flows from China through Asia into key global markets [Teleport]
  - Expand strategic direct partnerships with global carriers and hotels to provide users with exclusive offers and an even broader range of travel options [AirAsia MOVE]
- **Performance Optimisation**
  - Investment in platform technology to deliver frictionless onboarding, lower latency and drive loyalty for repeat and retention [AirAsia MOVE]
  - Enhance proprietary virtual concierge to increase engagement and retention across the booking journey [AirAsia MOVE]
  - Pivot towards a content-driven ecosystem to optimise marketing spend through user-generated content (UGC) [AirAsia MOVE]
  - Automation and AI-based demand planning [AirAsia Next]

S3 DATA & TECH DRIVEN

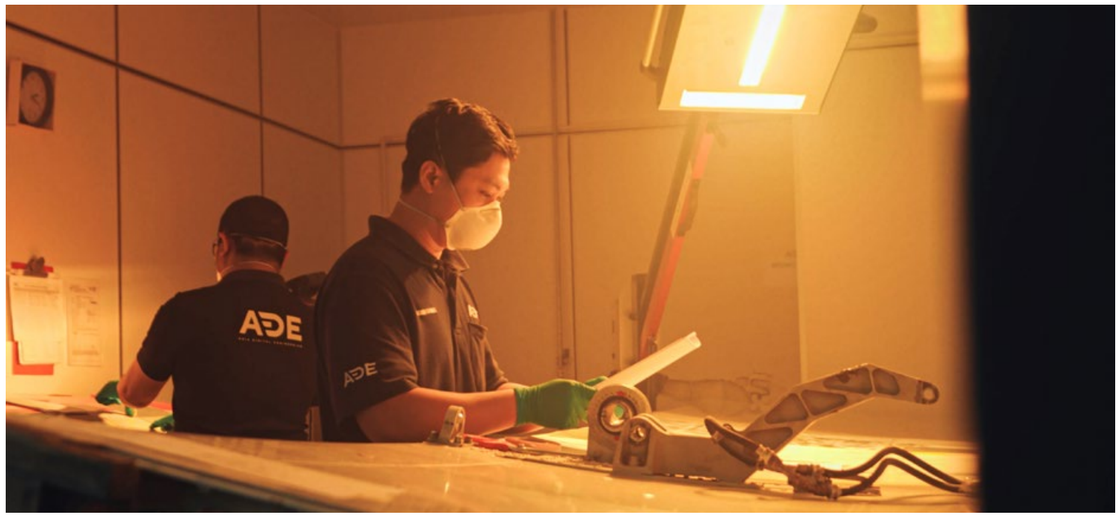
Data-informed in all we do, leveraging insights and analytics to make fast, precise decisions while leveraging AI and technology to stay true to our innovative DNA.

2025 ACHIEVEMENTS:

- Leveraged our vast pool of customer data, including historical behaviour and transactions, to deploy targeted marketing and create personalised offers
  - AirAsia MOVE: Hotel transactions grew 12% YoY while platform experience improved 22%
  - Santan: Recorded overall take-up rate of 29%
  - Teleport: Implemented WeChat App for first-mile operations in China, resulting in real-time day-zero onboarding of first-mile trucking vendors while enabling standardised real-time status updates and accurate data capture for vendor performance and cost monitoring
  - ADE: Recorded an average monthly transaction value of RM1.67 million on AEROTRADE®

2026 PRIORITIES:

- Capitalise on OEM supply constraints by scaling AEROTRADE®'s used serviceable materials (USM) marketplace, providing the industry with a cost-effective alternative to extended manufacturer lead times [ADE]
- Advance day-to-day operational efficiency with AI-first tech integrations such as dynamic capacity and promise engine to deliver business and productivity gains and improve margins while scaling [Teleport]
- Embed intelligence to power experience-led discovery, social engagement and real-time personalisation at scale; and enhance personalisation to provide users with best recommendations and exclusive promotions [AirAsia MOVE]
- Aggregate licensees data to build high-value segments for cross-selling to increase revenue [AirAsia Next]
- Collaborate with influencers to highlight value and affordability of products on social media [Santan]



S4 CUSTOMER OBSESSED

Putting customers at the heart of everything we do and continuously delight and overdeliver by ensuring they are served by engaged and empowered Allstars.

2025 ACHIEVEMENTS:

- Grew Net Promoter Score from 49% to 56% [AirAsia MOVE]
- Rolled out new booking platform for customers across Southeast Asia for a simple, modern booking experience [Teleport]
- Launched partnership with SEGA featuring multiple brand activations such as AirAsia presence in the Sonic Racing: CrossWorlds game and SONIC and Persona 5 character IP inflight merchandise [AirAsia Next]
- Launched AirAsia Buds Adventures animated series on YouTube with 16 million views as well as AirAsia Buds inflight merchandise [AirAsia Next]
- Launched Platinum co-brand credit card with RCBC Bank in Philippines [AirAsia Next]

2026 PRIORITIES:

- Ensure customer satisfaction through superior product offerings based on value [AirAsia MOVE, Santan]
- Reinforce commitment to customer centricity, adopting a customer-first methodology across all departments to address fundamental challenges within the traveller journey [AirAsia MOVE]
- Introduce technology that improves capacity and revenue management capability to unlock 20% more usable capacity on high-demand sectors for customers [Teleport]
- Invest in new tools and equipment to further enhance workshop capabilities [ADE]
- Develop Grab & Go segment offering quick and quality meals and drinks [Santan]

S5 PEOPLE & CULTURE FOCUSED

Rejuvenate our people-first and continuous improvement culture and focus on leveraging the ecosystem as a unique advantage to win together.

2025 ACHIEVEMENTS:

- Introduced a holistic flexi-benefits programme that empowers Allstars to customise their wellness journey through coverage for vision care, fitness, comprehensive family support including veterinary care and more [Capital A]
- Consistently built a high-performance culture through employee engagement and performance management aligned with the company's strategic goals [Capital A]
- Introduced company-wide coaching programme for people managers [Teleport]

2026 PRIORITIES:

- Establish a technical training hub for licensed engineers and technicians to institutionalise skills development and guarantee robust workforce capacity [ADE]
- Enhance employee engagement through transparent communication [Capital A]
- Align HR policies with business agility and workforce optimisation [Capital A]
- Expand talent mobility programmes to foster career growth within the organisation [Capital A]

MISSION AND VISION

Logo	Vision	Mission
ADE	To establish ADE as the leading MRO provider in the Asian region, delivering excellence and value across all key market segments we serve.	To deliver world-class, reliable and sustainable MRO solutions through operational excellence, innovation and a high-performance culture — empowering our people to exceed customer expectations and strengthen ADE's position as a trusted partner in the aviation industry.
teleport	It arrives tomorrow for anyone using Teleport.	Deliver across Southeast Asia cheaper and faster than anyone else.
AirAsia MOVE	Be Asean's favourite travel platform by creating affordable, fun and inclusive journeys.	
AirAsia Next	To unlock the full potential of the AirAsia and AirAsia Next brands by extending a culture of innovation beyond aviation and building a connected ecosystem that empowers people to dream, move and thrive anywhere in the world.	AirAsia Next aims to create incremental enterprise value by institutionalising a scalable global brand architecture, expanding monetisation of its 60 million-strong customer ecosystem through data-driven integration and deploying AI-powered loyalty, payments and enterprise tools to enhance margins, reduce friction and drive sustainable, asset-light growth beyond aviation.
santan	Making Asean food accessible to everyone.	Good Food. Good Coffee. Good Value.

PERFORMANCE REVIEW

FIVE-YEAR FINANCIAL HIGHLIGHTS

(RM million, unless otherwise stated)	2021 Restated	2022 Restated	2023* Restated	2024*	2025*
INCOME STATEMENT					
Revenue	1,683	6,437	1,290	1,710	**1,867**
Net total expenses	4,529	7,831	1,966	2,399	**-8,844**
Operating profit/(loss)	-2,846	-1,394	-676	-689	**10,711**
Profit/(loss) before taxation	-3,575	-3,915	-816	-891	**10,528**
Taxation	-146	-0.51	-24	9	**-3**
Net profit/(loss)	**-3,721**	**-3,916**	**-840**	**-882**	**10,525**
Discontinuing operations					
Net profit/(loss)			657	421	**2,908**
Profit/(Loss) for the financial year			**-183**	**-461**	**13,434**
BALANCE SHEET					
Deposits, cash and bank balances	1,257	470	703	431	**433**
Total assets	20,030	19,928	28,954	30,736	**7,568**
Net debt (Total debt - Total cash)	1,053	2,467	3,740	1,044	**849**
Total equity	-6,423	-9,517	-10,092	-10,015	**921**
CASH FLOW STATEMENTS					
Cash flow from operating activities	-678	-283	1,413	3,824	**5,667**
Cash flow from investing activities	389	-210	-102	-194	**-1,625**
Cash flow from financing activities	1,070	-314	-1,170	-3,425	**-4,466**
Net cash flow	781	-806	142	204	**-424**
FINANCIAL PERFORMANCE (%)					
Return on total assets	-18.6	-19.7	-0.6	-1.5	**177.5**
Return on total equity	N/A	N/A	N/A	N/A	**1,458.2**
R.O.C.E. (EBIT/(Net Debt + Equity))	N/A	N/A	N/A	N/A	**786.3**
Operating profit margin	-169.1	-21.7	-8.1	-2.8	**67**
Net profit margin	-221.1	-60.8	-1.2	-2.3	**73**

Assuming aviation segment was not presented as discontinued operations in the financial statements of the Group, the segmental profit and loss for FY2025 would have been as below:

(RM million, unless otherwise stated)	Discontinuing Operations	Continuing Operations	Total Segment	Elimination Adjustment	Total
INCOME STATEMENT					
Revenue	16,819	3,182	20,001	-1,608	**18,392**
Net total expenses	17,964	-14,691	3,273	2,776	**6,049**
Operating profit/(loss)	-1,145	11,508	10,363	1,980	**12,343**
Profit/(loss) before taxation	55	11,520	11,576	1,869	**13,445**

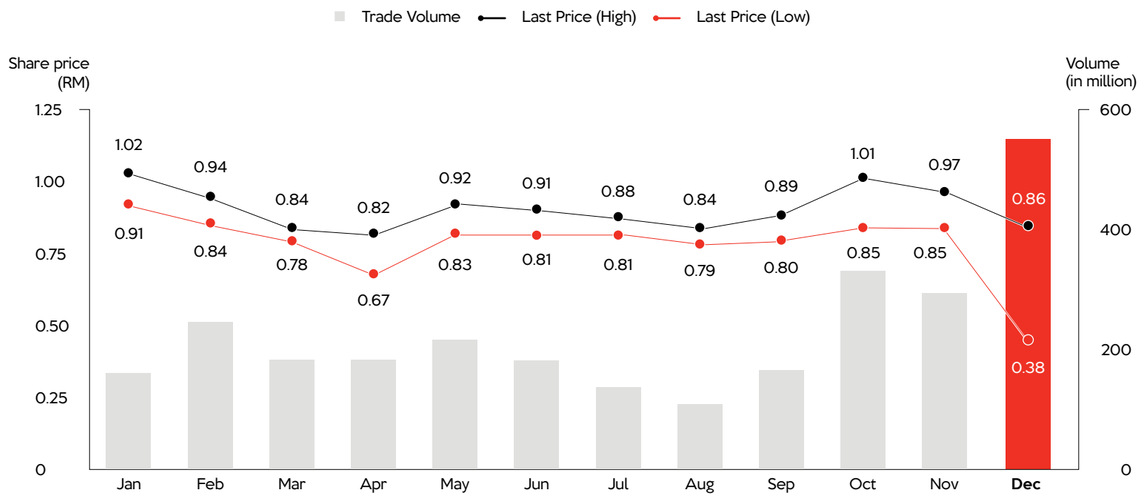
Assuming aviation segment was presented as discontinued operations in the financial statements of the Group, the segmental profit and loss for FY2024 would have been as below:

INCOME STATEMENT					
Revenue	18,937	2,812	21,749	-1,424	**20,325**
Net total expenses	20,290	2,658	22,948	-2,048	**20,900**
Operating profit/(loss)	-1,353	154	-1,199	624	**-574**
Profit/(loss) before taxation	-1,128	116	-1,012	621	**-391**

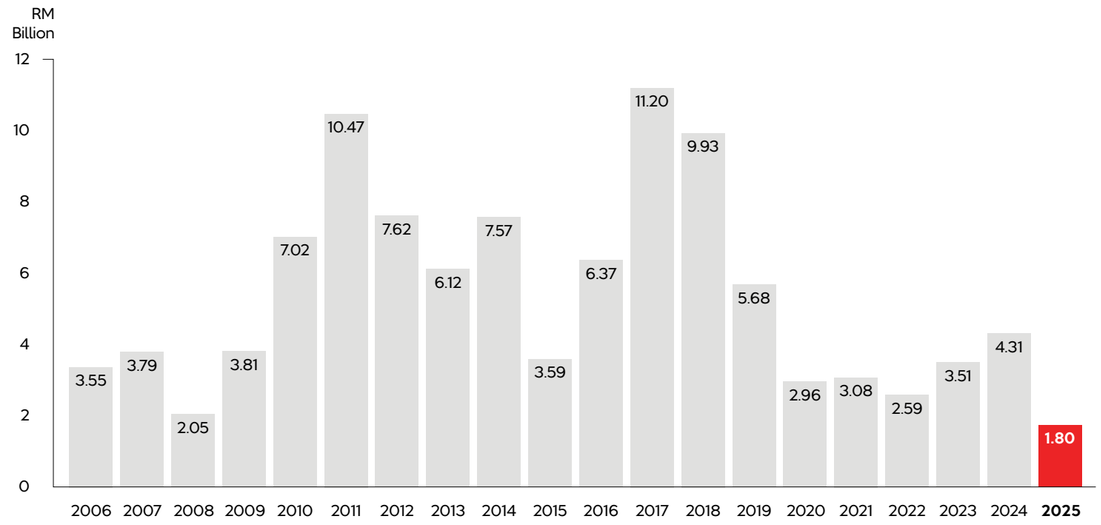
* *Income statement presented here refers to consolidated income statement of non-aviation businesses as aviation segment is presented as discontinued operations in accordance with MFRS 5*

PERFORMANCE REVIEW

2025 SHARE PERFORMANCE



MARKET CAPITALISATION



Note:
On 2 December 2025, the share price was readjusted following the ex-date for a dividend-in-specie distribution. This planned exercise was part of the Group's strategic corporate exercises

2025 FINANCIAL & INVESTOR CALENDAR

CGS International 17th Annual Malaysia Corporate Day 2025
8 Jan — Kuala Lumpur

4Q 2024 Operating Statistics Release
12 Feb — Virtual

FY2024 Financial Results Announcement & Earnings Call
28 Feb — Virtual

- **Extraordinary General Meeting (EGM)**
- **RCUIDS Holders Meeting**

7 May — Sepang

1Q 2025 Financial Results Announcement & Earnings Call
30 May — Virtual

8th Annual General Meeting (AGM)
13 Jun — Sepang

ADE Hangar Tour with ICAP Fan Club
24 Jul — Sepang

CLSA Investor Webminar
5 Aug — Virtual

2Q 2025 Financial Results Announcement & Earnings Call
28 Aug — Virtual

32nd CITIC CLSA Investors' Forum
9 Sep — Hong Kong

RCUIDS Holders Meeting
10 Nov — Kuala Lumpur

Capital Dynamics Investor Day 2025
16 Nov — Kuala Lumpur

3Q 2025 Financial Results Announcement & Earnings Call
28 Nov — Virtual

ADE

SCALE UP YOUR
FLEET
MAINTENANCE
WITH ADE's
14-LINE
HANGAR

Introducing Asia Digital Engineering's state-of-the-art 14-line hangar – purpose-built to optimize your aircraft turnaround time. With end-to-end MRO solutions for A320, A330, and B737, our expanded capabilities ensure efficiency, reliability, and scalability to meet your fleet's needs.

Trust ADE to keep you flying.

Discover Our Capabilities

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BUSINESS REVIEW

MAINTENANCE, REPAIR AND OVERHAUL

ADE

Asia Digital Engineering (ADE) serves as a comprehensive, one-stop MRO ecosystem delivering end-to-end solutions throughout Southeast Asia. With a presence across more than 20 airports in the Asean region, ADE manages an average of 10,000 transits per month and is committed to delivering quick turnaround times for its clients. It currently operates 16 maintenance lines anchored by a state-of-the-art 14-line hangar facility in KLIA along with an additional two lines at Senai Airport in Johor Bahru. To date, ADE has successfully completed 280 C-checks. Its capabilities are further strengthened by strategic collaborations and a suite of digital innovations.

WHAT ADE OFFERS:

- **Base Maintenance** — Heavy checks (C-checks, structural inspections) for narrowbody and widebody aircraft (A320, A330 and B737 families)
- **Line Maintenance** — Routine daily and transit checks/inspections
- **Component Workshop** — In-house overhaul and repair for wheels, brakes, sheet metal, composites and more
- **Digital Services:**
  AEROTRADE® — an online B2B marketplace for aircraft parts
  ELEVADE™ — a holistic fleet health monitoring and management solution



2025 OVERVIEW

If 2024 was about building capacity, 2025 was the year ADE harvested that growth. As airlines returned to near pre-pandemic flight levels, demand for line and base maintenance continued to increase. ADE capitalised on this with its newly launched 14-line hangar, proving the strength of its business model by delivering exponential revenue growth and robust profitability. Crucially, it cemented its status as a top-tier global MRO by securing ASA-100 accreditation and upholding its United States Federal Aviation Administration (FAA) compliance, sending a clear signal to the market that its rapid scale is matched by the highest international standards of safety and quality.

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
The industry-wide shortage of licensed aircraft engineers (LAE) and aggressive poaching by competitors is creating significant manpower gaps. Hiring expatriates is complicated by complex regulatory processes.	▪ Focus on building an internal talent pipeline, promoting 40 technicians to LAE positions and initiating secondments from ADE's Indonesian and Philippine units. To retain talent, the company introduced a Long-Term Incentive Plan (LTIP) for key roles and enhanced benefits, including productivity allowances.
Operations are strained by limited spare parts availability, long delivery lead times and ongoing credit blocks from vendors due to overdue invoices.	▪ ADE has established sustainable weekly payment plans to reinstate credit terms and revised its restocking strategy to prioritise high-consumption parts using machine learning for smarter re-ordering.
Hangar slot constraints limit heavy check planning, while insufficient or aging ground support equipment (GSE) impact line maintenance.	▪ ADE is gearing up to expand its hangar capacity and is introducing a replenishment cycle to improve GSE serviceability to 85%.
The company faced liquidity constraints and delays in accounts receivable collection.	▪ Management focused on refinancing to secure lower interest rates (targeting below 10%) while escalating internal collection efforts to clear outstanding balances.

KEY INITIATIVES

- Planning strategic hangar expansion to boost capacity, enabling simultaneous servicing of multiple aircraft and accommodating growing demand in the region.
- Invested in digital solutions including predictive maintenance, automation and data analytics, thereby enhancing efficiency, reducing turnaround times and improving service reliability.
- Continued to train and upskill engineers and technicians, fostering a diverse and highly capable team ready to support complex maintenance needs.
- Tailored its services to meet airline-specific operational needs, offering flexible scheduling, cost-efficient solutions and seamless end-to-end support.
- Strengthened its commitment to environmentally responsible practices, aligning operations with global sustainability goals and reducing the carbon footprint of maintenance activities.

BUSINESS REVIEW
MAINTENANCE, REPAIR AND OVERHAUL

KEY ACHIEVEMENTS

- Secured European Union Aviation Safety Agency (EASA) and FAA certifications:
  - EASA: Maintenance Organisation Approval (EASA.145.0967)
  - FAA: Repair Station Certificate (ADNY458E)
- Secured ASA-100 Accreditation while maintaining approvals from the civil aviation authorities of Malaysia, Thailand, the Philippines, Indonesia, India, Cambodia, Singapore, Nepal, Vietnam, Myanmar, Bermuda, Guernsey, Pakistan, Bhutan, Bahrain and the Maldives.
- Signed a long-term agreement with Air France to provide heavy maintenance and aircraft modification services for Airbus A330-200 aircraft.

AWARDS

- **MSOSH Awards 2025**
  - Gold Class 1 for Excellence in Occupational Safety and Health Performance
- **Malaysia Management Excellence Awards 2025:**
  - Executive of the Year, Aerospace, presented to Mahesh Kumar, CEO of ADE



BUSINESS REVIEW
MAINTENANCE, REPAIR AND OVERHAUL

LOOKING FORWARD

The completion of return-to-service AirAsia aircraft by Q2 2026 marks a significant milestone for ADE, allowing the company to pivot towards strengthening its support system with new in-house capabilities. These include developing new engine, auxiliary power unit (APU) and landing gear shops in Malaysia and Indonesia. It is also looking to reduce its dependence on external parties for repairs by developing the necessary capabilities internally, thus reducing logistics lead times and enhancing turnaround times. Building its digital platform, it will deploy new modules for comprehensive base maintenance management on ELEVADE™ while introducing digital verification for aircraft maintenance programmes to replace manual methods.

With strengthened capabilities, ADE seeks to expand its regional footprint. It aims to obtain line maintenance approvals from the Civil Aviation Administration of China (CAAC) by mid-2026, subsequently to launch AEROTRADE® and ELEVADE™ tailored specifically for the Chinese market. It also has plans to extend line maintenance services to Bahrain and Vietnam.

In the longer term, the company is focused on capacity growth, increasing its hangar lines from 16 currently to 20 by 2027, aiming for 40 lines by 2029.

What customers can look forward to in 2026:

- More streamlined, transparent and faster service experience:
  - For aircraft on ground, spares are targeted to be available within 60 minutes of a request.
  - AEROTRADE® will expand to offer used serviceable materials (USM), addressing the global shortage of new parts and offering cost-effective alternatives.
  - With the new ELEVADE™ Base Maintenance module, customers will benefit from enhanced monitoring of manpower, tasks and materials, ensuring aircraft are released safely and on time.
- Expanded support: New hangars in Thailand, the Philippines and Bahrain.
- Comprehensive services: High-value capabilities such as landing gear and engine shop services.

BUSINESS REVIEW
LOGISTICS

teleport®

Teleport is an integrated eCommerce logistics specialist operating the largest asset-light air network in Southeast Asia, with extended connectivity into Asia Pacific. On a mission to move things across the region better than anyone else, Teleport provides access to affordable and reliable cross-border delivery for large and small businesses, as fast as the next day. Its commitment has led Teleport to become the market leader for total tonnage moved by air across Southeast Asia; #9 in Asia and #13 globally.

Teleport started in 2018 leveraging the belly capacity of all AirAsia and AirAsia X airlines. It then inducted three A321F freighters and further expanded access through strategic network partnerships with 55+ airline partners. Today, the Teleport Network® connects over 290 cities across 80 countries in Asia Pacific, including secondary and tertiary destinations.

WHAT TELEPORT OFFERS:

- **Teleport eCommerce** — customisable end-to-end, first-to-last-mile cross-border delivery services across land and air
- **Teleport Next Day**— next-day, door-to-door parcel delivery for key routes like Kuala Lumpur–Singapore, Kuala Lumpur–Bangkok and Kuala Lumpur–Hong Kong
- **Teleport Air Cargo** — airport-to-airport air cargo services using a combined network of passenger and freighter aircraft



2025 OVERVIEW

In 2025, Teleport scaled cross-border volumes while strengthening the capabilities required to sustain growth through expanding capacity via its airline partner network, enhancing orchestration and visibility technology, and investing in dedicated parcel-processing and ground infrastructure to reduce throughput constraints.

This strategy was implemented against a supportive regional backdrop. Asia Pacific airlines saw 8.4% year-on-year demand growth for air cargo in 2025, among the strongest growing regions. 2025 trade lane data also shows a clear shift in global air cargo flows with Asia–Europe market share up by +10.3% (CTK YoY), driven by tariff pressures and the removal of the US de minimis exemption. Trade lane corridors within Asia and the Middle East–Asia also recorded strong growth at +10.0% and +5.8% respectively.[1]

In 2025, Teleport moved 347,885 tonnes of cargo and delivered 167 million total parcels, marking 18% and 99% YoY growth respectively. eCommerce remained the primary growth contributor, driving total revenue to RM1.2 billion with a 14% YoY increase.

[1] *https://www.iata.org/en/pressroom/2026-releases/2026-01-29-01/#:~:text=Regional%20Performance,%25%20year%2Don%2Dyear*

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
Seasonal softness in Q1 due to the pull-forward of Lunar New Year and Eid holidays.	▪ Applied disciplined cost management to protect margins during lower-volume periods, resulting in the highest Q1 EBITDA.
Freighter availability constraints in Q2 with the fleet operating at 40% capacity due to scheduled maintenance and unscheduled disruptions.	▪ Maintained network uplift leveraging partner airline capacity with 2.8x increase in partner network utilisation, while fleet availability was restored to 80% in Q3.
Processing eCommerce parcels alongside general cargo is not conducive for high-volume growth as shared resources limit throughput, screening speed and processing capacity when volumes scale.	▪ Completed three airport infrastructure investments in Malaysia: eCommerce Hub and Teleport Transit Hub at KLIA, as well as Sandakan Air Cargo Terminal in East Malaysia.

KEY INITIATIVES

- **Network Expansion & Airline Partnerships**
  - Expanded the network to 55+ partners including Turkish Airlines, Air Central China, Royal Brunei Airlines and Hong Kong Air Cargo.
  - Signed an MOU and interline agreement with Air Central China to strengthen the China–Asean Air Silk Road, and was subsequently appointed the airlines' General Sales Agent (GSA) in India.
  - Progressed collaboration with Etihad Cargo from interline and multiple freighter deployments toinclude a dedicated freighter from Phnom Penh to Abu Dhabi.
  - Deepened its Turkish Cargo relationship by securing the GSA appointment for Malaysia, building on an existing interline agreement.
- **Product & Service Expansion**
  - Teleport Next Day service launched a new lane from Kuala Lumpur and Bangkok to Hong Kong in April 2025.
  - Introduced Teleport Guaranteed, a prioritised shipment option with enhanced protection to ensure cargo moves exactly as planned.

KEY INITIATIVES

- **Infrastructure & Hub Development**
  - Launched an eCommerce Hub in KLIA, with conveyor and X-ray capabilities for faster parcel screening, sorting and aircraft loading. The facility is capable of processing up to 260,000 parcels daily, improving safety and efficiency while reducing manpower reliance. Peak processing capacity increased by nearly three-fold.
  - Sandakan Air Cargo Terminal was launched in partnership with Ground Team Red (GTR), becoming Sabah's first dedicated air cargo terminal to streamline operations, strengthen cross-border trade capabilities and enhance import–export throughput.
  - Teleport Transit Hub was built next to KLIA2's tarmac to minimise handover times for shipments between Southeast Asia, Asia and South Asia, and accelerate the transit of imports and exports from China and India in Malaysia.
- **Technology & Digital Enablement:**
  - Partnership with Kargo Technologies to enhance first-mile visibility for cross-border eCommerce shipments originating from China.
  - Strategic partnership with Shipsy to integrate last-mile transport management system into Teleport Network®, unlocking greater real-time, last-mile shipment visibility for customers across Southeast Asia.
- **Governance & Sustainability**
  - Together with GTR, Teleport signed and pledged zero tolerance for corruption across its air logistics operations.
  - Teleport is a task force member of United for Wildlife, committed to curbing illegal wildlife smuggling.

KEY ACHIEVEMENTS

- **18% increase in tonnage** moved YoY to 347,885 tonnes; and 99% surge in parcels moved totalling 167 million parcels.
- **14% increase in revenue YoY** to RM1.2 billion fuelled by 32% jump in eCommerce revenue to RM425 million.
- **Raised USD50 million (RM205 million)** pre-IPO capital at USD500 million pre-money valuation in January 2026.

BUSINESS REVIEW
LOGISTICS



AWARDS

- Best Low-Cost Air Cargo Carrier - Asian Freight, Logistics and Supply Chain (AFLAS) Awards 2025
- Vietjet Air Cargo's Top Airlines Partner
- Turkish Cargo's Best Local Partner
- Recognised by the Asean Business Awards (ABA) Winners Circle for contributing to regional economic growth, integration and shared prosperity

LOOKING FORWARD

According to IATA, industry conditions will remain constructive in 2026, with cargo revenue driven by time-sensitive shipments and eCommerce volumes. Against this positive backdrop, Teleport remains anchored on its eCommerce-first strategy. Teleport aims to leverage its fresh pre-IPO capital injection to accelerate earnings momentum and grow its presence on a global scale, on the back of demonstrated sustainable scalability and positive PAT in 2025. Prioritising capacity acquisition through partner airlines, it seeks to expand its network reach and strengthen capacity and connectivity mix, to better serve eCommerce movement from China via Asia (including Oceania) through the Middle East and into key European destinations. Technology integration into its operations will continue to enable it to scale to support higher volumes throughputs.

2026 will see Teleport accelerate its growth as it builds the capability and capacity to move two million parcels a day. With capital injection driving strategic capacity acquisition, its goal now is to take its unique asset-light model to a global level and continue to move things beyond Southeast Asia faster, cheaper and better than anyone else.

BUSINESS REVIEW
ONLINE TRAVEL AGENCY (OTA)

MOVE Travel Group is a comprehensive travel and lifestyle ecosystem leveraging a robust organic customer base and proprietary algorithm to deliver optimised cross-selling. It comprises our OTA, AirAsia MOVE (MOVE), which has formally integrated with Wano Connect and Muslim-friendly travel and lifestyle platform ikhlas.com. Through Wano Connect, the platform is able to capture agent-heavy B2B markets while ikhlas.com further expands its reach to some 290 million Muslims across Asean, who are served via extensive Muslim-friendly destinations and travel packages.

AirAsia MOVE
MOVE provides a seamless platform for flights, stays and ancillary services powered by hyperpersonalisation and bundling. Built from 25 years of inherited airline data as well as an advanced technology and AI stack, the platform has maintained EBITDA profitability for three years, serving 15 million Monthly Active Users (50 million Annual Active Users) across 13 languages and 31 currencies.

Wano Connect
Incorporated in September 2025, Wano Connect holds exclusive B2B distribution rights for AirAsia flights. Comprising an ecosystem of over 16,000 travel agents and 100 aggregators, it is able to maximise sales efficiency in high-growth regions, while driving strategic partnerships with external carriers and hotel partners to diversify the Group's inventory supply.

ikhlas.com
ikhlas.com provides a culturally resonant gateway to religious obligations and travel with offerings ranging from *umrah* packages to online *zakat* and *qurban*.



2025 OVERVIEW

The platform performed well in 2025, with the number of Monthly Active Users (MAUs) remaining stable and the Net Promoter Score (NPS) reaching 57. These improvements were supported by technical optimisation, including Passkey biometrics and the AskBo AI virtual concierge, which effectively streamlined the user funnel. The platform also pioneered social engagement through new flight-specific chat communities.

Diversification accelerated through FlyBeyond and major regional airline partnerships, driving non-AirAsia revenue to a record 28% of the portfolio. Meanwhile, AirAsia Flights remained stable through improved discovery and pricing logic. Overall margins improved along with strong flight traffic and ancillary attach rates that were 23% higher than peer OTAs. Integrated Flight and Hotel (Stays) transactions grew over 40% YoY, while Duty Free pre-book conversions nearly tripled, lifting the segment's GBV by 157% YoY.

The launch of Wano Connect in Q4 accelerated the platform's growth, contributing 55% of quarterly revenue. New services like MOVETIX, eSims and eVisas further diversified MOVE's offerings, while successful scaling into the Philippines and Indonesia strengthened its Asean footprint.

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
User experience on the platform	▪ Mitigate technical friction: Improve login and mobile web experience to ensure platform speed and reliability. ▪ Address conversion barriers: Optimise flight booking flow and payment success rates. ▪ Streamline support efficiency: Scale AskBo Chatbot by improving resolution via simplified rules.
Rapidly evolving, hyper-competitive digital travel market	▪ Competitive Protection: Leverage AirAsia pricing advantage and rewards to counter OTA pricing and retain AirAsia travellers. ▪ Value Differentiation: Create proprietary interlining and travel bundles to mitigate competition against simple flight or hotel bookings. ▪ Friction Reduction: Build a chat-based agentic booking flow to modernise the user journey. ▪ Retention Strategy: Utilise Social + AI to build community and agents, driving platform relevance beyond the booking stage.

KEY INITIATIVES

- Established a new MOVE entity in China to accelerate regional expansion.
- Strengthened the direct hotel sourcing model alongside global B2B aggregator collaborations to secure competitive rates and expand inventory.
- Introduced "Easy Cancel" in partnership with Hopper, allowing guests to cancel AirAsia flights up to 48 hours prior to departure for a rapid 10-day refund.
- Partnered with Ant International's Antom to streamline cross-border transactions, reducing operational costs while offering a wider variety of secure local payment methods across Asean.
- Collaborated with Singapore Tourism Board, the Tourism Authority of Thailand, and Indonesia Tourism Board to leverage Flight and Hotel bundles and drive demand into emerging second- and third-tier cities, alleviating overtourism.

BUSINESS REVIEW
ONLINE TRAVEL AGENCY (OTA)

KEY ACHIEVEMENTS

- **Ancillary Performance**
  Maintained a robust average ancillary attach rate of 62%, representing a one percentage point YoY increase.
- **Flight Diversification**
  Expanded direct airline partnerships, onboarding Indigo, Citilink, China Southern Airways and VietJet.
- **Stays Growth**
  Achieved a significant 24.5% YoY increase in total hotel bookings.
- **Duty-Free Resurgence**
  Following its Q3 2024 relaunch, Duty-Free gross merchandise value surged 603% YoY, with total transactions skyrocketing by 858%, driven by an expanded product range and consumer shift toward pre-booking (which saw revenue increase by 25%).
- **Platform Stability**
  Achieved 99% crash-free rate while deploying over 35 new features and 320 bug fixes throughout the year, directly contributing to a five-point improvement in the platform's NPS.

AWARDS

- **World Travel Tech Awards 2025**
  - Asia's Best Travel Booking App for three consecutive years
  - World's Best Low-Cost Airline App 2025
  - World's Best Low-Cost Airline Website 2025
- **Malaysian CMO Awards 2025**
- **Global Brand Awards 2025**
  - Fastest Growing Online Travel Agency
  - Most Innovative Digital Travel Ecosystem
- **Life at Work Awards (LAWA) by TalentCorp Malaysia**
  - 2nd Runner-Up for Digital & Tech Excellence in the International Organisation/Public Listed Company category

OUR PERFORMANCE AT A GLANCE

- **Best-in-class in ancillary suite**: with a 62%
- **+25% YoY Growth** of our Stays segment
- **Crystallised strategic partnerships with massive regional carriers** like Indigo, Citilink, Vietjet and China Southern Airlines
- **Asia's Best Travel Booking App** by World Travel Tech Award 2025
- **China Market Entry**: entity incorporated with WeChat and Alipay Mini Programs in development

BUSINESS REVIEW
ONLINE TRAVEL AGENCY (OTA)

LOOKING FORWARD

In the coming years, MOVE seeks to establish itself as a premier AI-driven travel retail platform in Asean. In 2026, it will focus on transitioning from an OTA model to a high-margin, resilient travel ecosystem powered by proprietary data and agentic AI.

What to look forward to in 2026:

AirAsia MOVE
- Maintain a best-in-class ancillary attach rate.
- Full-stack customer service and personalised offers and bundles.
- A more social platform across the entire booking journey from discovery to conversational commerce, evolving into a robust travel community that includes a peer-to-peer marketplace in the future.
- Back-end efficiencies through BigPay and AirAsia rewards, while capturing demand generation synergies with AirAsia Next.

Wano Connect
- Simplified content for smaller agencies in emerging markets.
- Dynamic retailing via partnerships with diverse hotel chains and international carriers to provide comprehensive AI-driven travel inventory.
- Expanded direct content and core carrier inventory along with fewer third-party airline and accommodation providers.

ikhlas.com
- Dedicated charter flights with AirAsia and more secure booking for pilgrims.
- A community-led ecosystem that integrates personalised feeds, loyalty growth features, and AI-driven support providing a more engaging and retentive experience than traditional booking platforms.
- Greater access across Asean as Ikhlas sets up regional entities in Indonesia and other emerging markets.

BUSINESS REVIEW
BRAND AND IP

AirAsia Next

AirAsia Next (in the process of a name change from Brand AA) is the brand management company of Capital A responsible for managing the AirAsia, AirAsia MOVE, Teleport, ADE and Santan brands. Starting out in May 2023 as the creative steward of the iconic AirAsia brand, AirAsia Next has evolved into a dedicated platform for brand management, brand licensing and IP monetisation across the Capital A portfolio of brands.

Its most valuable asset currently is the AirAsia brand, valued at USD1.93 billion by Brand Finance and ranking 24th among the most valuable airline brands in the world as well as seventh among all brands in Malaysia.[1]

The focus in 2025 was on establishing clarity around the AirAsia Next value proposition and developing its vision and mission, which are set out in Our Strategy/Blueprint on page 57 of this report.

Going forward, AirAsia Next will outline its brand standards, protect brand equity and extend the Capital A portfolio of brands into new markets, industries and business categories beyond aviation through licensing and partnership arrangements. Eventually, it seeks to expand beyond its existing portfolio by acquiring and developing new brands belonging to third parties.

[1] *According to Brand Finance Malaysia 100 2025 report*



Supporting its growth, AirAsia Next will build commercialisation and monetisation tools such as data and AI technology infrastructure, supported by a loyalty programme through the integration of AirAsia rewards. This will allow all brands under its management to focus on what they do best without having to develop related capabilities from scratch. Through its ecosystem, AirAsia Next will be able to deliver hyper-personalised marketing and loyalty-driven customer acquisition to every brand within its portfolio, reducing customer acquisition costs. Revenue will be drawn primarily from brand license fees, income from newly developed and acquired brands, collaboration and partnership income, as well as loyalty programme revenue.

KEY INITIATIVES

- Partnered with SEGA on multiple brand activations, including AirAsia presence in the Sonic Racing: CrossWorlds game as well as SONIC and Persona 5 character IP inflight merchandise.
- Launched the AirAsia Buds Adventures animated series on YouTube, which attracted over 16 million views, alongside AirAsia Buds inflight merchandise.
- Partnership with leading global luggage and lifestyle brand American Tourister to unveil The Funseekers Collection of bags featuring the AirAsia brand.
- Partnership with Ripper GC, one of 13 teams in the LIV Golf League.
- First-of-its-kind collaboration with local Malaysian sparkling juice brand, Hausboom, to co-create a beverage series inspired by AirAsia flight destinations.
- Partnership with the ASEAN United Football League to deepen engagement with football fans across the region, further championing Asean connectivity.
- Collaborated with Olympic silver medallist Ben Proud to support high-performance sport and elevate brand presence within the global swimming community.
- Championed emerging sports to connect with youth communities across the region, including GROM Patrol (Surf), RFJAM (Dance), rock climbing and skateboarding, reinforcing AirAsia's position within high-engagement subcultures.
- Partnered with the Asian Hockey Federation to support and grow the hockey ecosystem across Asean markets.
- Partnered with the Kings World Cup, a digitally native football tournament blending online-first engagement with a live final in Italy, enabling AirAsia to tap into new-age football audiences.
- Collaborated with ComplexCon China to curate and host creators within the fashion and lifestyle space, delivering immersive brand experiences and strengthening cultural relevance.

rewards

AirAsia rewards is one of the largest loyalty points platforms in the region enabling seamless, borderless earn-and-burn experiences across Asean and beyond. Focused on rewarding its loyal members, AirAsia points earned serve as a borderless currency that can be used for AirAsia and other flights, hotels, F&B, retail and daily services offered through the Capital A ecosystem (on AirAsia MOVE app) as well as AirAsia rewards partners.

All members benefit from Final Call fares and priority services, while structured Red, Gold, Platinum and Black tiers encourage members to earn more to unlock differentiated benefits.

AirAsia rewards is linked with co-branded credit cards in Thailand, Indonesia and the Philippines, with Vietnam and Malaysia cards in the pipeline. Its Xchange Platform enables three-way points conversion between AirAsia points, bank points and points from other loyalty programmes. The platform is also offered to external vendors as Loyalty-as-a-Service (LaaS), enabling vendor partners to embed AirAsia rewards points in their own reward programmes.



2025 OVERVIEW

As competition intensifies across the loyalty/rewards industry, corporations are going the extra mile to offer increasingly attractive and engaging programmes to promote brand stickiness. In this environment, AirAsia rewards continues to build stronger relationships with its members via diversified loyalty services and expanded co-brand as well as lifestyle collaborations. While broadening its market reach, it is enhancing the ways in which members can use their points, making it more convenient to use services on AirAsia MOVE and elsewhere. Focus on gamification is allowing AirAsia rewards to drive higher engagement and reactivation, strengthening strategic partnerships, including collaborations with arrivia and eCommerce partners. This has contributed to an enlarged member base with the reactivation of a significant number of dormant members.

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
A large number of AirAsia members become dormant for lack of awareness or motivation to use the loyalty programme.	▪ Organise targeted campaigns and enhance referral programme to engage members. ▪ Further improve the rewards platform with strategic partnerships, offering exciting new ways to earn and burn points apart from flights and hotels. ▪ BIGGIE Troopers carry out on-ground activations at partners' offices and events.

KEY INITIATIVES

- Launched Platinum co-brand card with RCBC Bank in the Philippines.
- Expanded lifestyle and strategic partnerships to include arrivia, enabling members to earn points from cruise travel; Ascott Star Rewards in hospitality; Sungai Wang Mall; Machines+ (technology); LUNO (bitcoin); Amanah Saham Nasional Berhad (ASB investment); Versa (wealth management); and projects/events such as World Gourmet and KL Wellness City (project).
- Introduced points as a form of payment across selected use cases.
- Introduced BIGGIE Troopers, i.e. Allstars deployed at various locations to promote the rewards programme, while further increasing awareness through other engagement-led initiatives as well as targeted campaigns.
- Introduced an enhanced referral programme to drive member acquisition and reactivation.

KEY ACHIEVEMENTS

- **22% increase** in active membership base, or 5.4 million new members across the market.
- **1.8 million** members reactivated through 60 targeted campaigns.
- Total of **20% increase** in partner network.

LOOKING FORWARD

Going forward, AirAsia rewards is focused on delivering a rewards programme that closely resonates with members' needs, recognising members' key milestones and creating value through every meaningful interaction. To encourage points redemption, fixed expiry dates will be replaced by dynamic rolling one-year validity offers which could potentially be evergreen and last a lifetime. Members will also be able to use their points as payment at Manage My Booking for baggage add-ons, inflight meals and seat upgrades. In addition, Allstars can start using AirAsia points to pay for their eCoupons and ID90 (staff flight) bookings.

What members can look forward to in 2026:

- Enhanced Membership Programme 3.0 with personalised rewards and recognition of key milestones
- Evergreen points under an activity-based expiry policy
- AirAsia Buds Club
- Expanded lifestyle redemption with more partners
- Points-as-payment via BigPay
- Virtual co-brand credit card in Malaysia with Alliance Bank
- New mobile-responsive website and mission-based gamification engine

bigpay

BigPay is a leading digital financial services platform in Southeast Asia, focused on making money management accessible and transparent to all. The platform offers a comprehensive range of services from cross-border and domestic payments to international transfers, personal loans and smart budgeting to continue to level-up Southeast Asian lives, one transaction at a time.

BigPay differentiates itself in the market with its user-centric design, competitive exchange rates and commitment to financial inclusion. Through technology-driven innovation and intuitive digital tools, BigPay empowers users to take greater control of their financial lives.



2025 OVERVIEW

2025 marked a pivotal growth year for BigPay amid Southeast Asia's fintech surge in embedded finance, cross-border payments and a push to provide better remittances for users. The industry continued to emphasise cashless adoption, digital lending and regulatory innovation with BigPay responding through ecosystem deepening and a stronger push towards profitability. BigPay's strategy focused on enhancing ecosystem integration with AirAsia MOVE while driving cost efficiencies and regional scaling.

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
The fintech and digital payments landscape is increasingly competitive, marked by new entrants and rapidly evolving consumer expectations.	▪ BigPay continued to invest in product innovation and data-driven enhancements to strengthen differentiation and sustain user growth.
Expanding into multiple jurisdictions and different product offerings brings regulatory complexities, particularly in new product areas such as credit reporting and personal financing.	▪ Compliance and governance frameworks were reinforced to ensure alignment with regulatory requirements, complemented by close collaboration with strategic partners such as MRT in Thailand. ▪ In Malaysia, BigPay worked with Bank Rakyat and CTOS to support seamless and compliant product integration.
Maintaining platform stability and security while scaling operations to meet higher transaction volumes driven by user and regional growth.	▪ Platform resilience was enhanced through continuous improvements in infrastructure, cybersecurity and automation, enabling BigPay to handle increased transaction volumes effectively.
Balancing ongoing technology investments with cost-efficiency targets.	▪ Focus on operational efficiency to optimise resources and maintain financial sustainability while pursuing regional growth and technological advancement.

KEY INITIATIVES

- **Brand Building**
  - Executed integrated marketing campaigns like the Visa MAMA Awards collaboration to strengthen brand presence and visibility.
  - Launched a nationwide travel campaign in Malaysia with Visa, offering free flights through digital advertising and for key opinion leaders.
  - Increased user engagement through financial education initiatives and targeted content strategies.
- **Infrastructure & Capabilities Enhancement**
  - Upgraded backend systems to improve transaction performance, security and scalability.
  - Expanded data analytics and automation capabilities to support more personalised user journeys.
- **Business Expansion**
  - Expanded into Thailand with the launch of Visa Platinum cards (physical and virtual), Stash and Analytics features.
  - Grew user base through regional acquisition efforts and strategic promotions.
- **Partnerships**
  - Collaborated with Bank Rakyat to enable seamless access to its Shariah-compliant personal financing through the BigPay app.
  - Partnered with CTOS to offer users direct access to their MyCTOS credit reports.

BUSINESS REVIEW
BRAND AND IP

KEY ACHIEVEMENTS

- Improved platform speed, reliability and user satisfaction through infrastructure and analytics upgrades.
- Achieved **29% growth** in active new users and **270% increase** in transaction volumes and engagement in Thailand, a key growth market in 2025.
- Recognised as a Customer Lifecycle Pioneer by CleverTap for excellence in user engagement and retention.

LOOKING FORWARD

In 2026, BigPay aims to strengthen its position as a trusted and inclusive digital financial platform in the region. Its focus will remain on expanding service capabilities, enhancing the user experience and driving financial inclusion through accessible and transparent solutions. Priority will be given to the rollout of new features that support smarter financial management, broader regional remittance and payment coverage, as well as deeper integration within the ecosystem to deliver more seamless financial experiences. BigPay assures users of continued innovation and an empowered way to manage money in the year ahead.



BUSINESS REVIEW
FOOD AND BEVERAGE (F&B)

santan

Santan is a multi-pillar food and beverage (F&B) business built to scale across mobility, retail and fast-moving consumer goods (FMCG). Originating as the inflight F&B arm of AirAsia, Santan has evolved into an integrated business that combines product innovation and brand building with operational excellence to deliver quality and value in the air and on the ground. Values-based and digitally driven, the company's strategies are anchored in data and deep operational expertise.

Santan's expansion into diverse distribution channels has been enabled by carefully developed products that are rigorously demand-tested within the mobility segment. This proven foundation allows the pivot into multifaceted lines of business, providing partners and customers with the distinct advantage of product superiority at lower price points, achieved through economies of scale.

WHAT SANTAN OFFERS:

- **Inflight Food & Beverage Management** — End-to-end management of inflight F&B operations, from menu development, pricing, demand planning and vendor management to quality assurance (QA) and compliance.
- **Grab & Go** — Compact, high-turnover retail focused on ready-to-eat (RTE) food, bite-sized prices and consistent quality.
- **Fast-Moving Consumer Goods (FMCG)** — Development and commercialisation of Santan-branded food products distributed through inflight, eCommerce and strategic partners.



2025 OVERVIEW

2025 was a pivotal year in strengthening the foundation for Santan's long-term growth. Operating across Malaysia, Indonesia and the Philippines, we continued to expand our regional footprint and bring our brand closer to more communities.

During the year, we served 19 million meals, achieving 7% year-on-year volume growth. Our top three best-selling products, Pak Nasser's Nasi Lemak, Uncle Chin's Chicken Rice and Bukhara Chicken Briyani, remained clear favourites among customers. We also enhanced our onboard offerings with the introduction of five new meals, five new snacks and four new drinks, further broadening customer choice.

Financially, Santan recorded revenue of RM208 million, representing an 8% year-on-year increase. EBITDA margin improved by one percentage point to 7%, resulting in EBITDA of RM14.5 million, reflecting both topline growth and strengthened operational efficiency.

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
Managing inflight operations across multiple countries and stations creates operational complexity, including variability in supplier capability, cost structures and regulatory requirements.	▪ Strengthened central oversight of vendor management, QA and compliance. ▪ Improved coordination between stations through standardised processes and clearer accountability. ▪ Rationalised menu and SKU complexity to improve consistency and execution.
Retail and FMCG require different operating rhythms and economics compared to inflight, including store-level profitability, SKU velocity and distribution readiness.	▪ Phased rollout approach to test concepts before scaling. ▪ Early focus on unit economics, payback periods and SKU performance. ▪ Leveraged existing operational and brand capabilities to reduce duplication.
Introducing new products while maintaining operational reliability requires careful balance, particularly in high-frequency environments.	▪ Prioritised fewer, better-performing product launches. ▪ Introduced structured testing and review processes before wider rollouts.
As the business expands into new channels, teams are required to cover broader scopes, creating bandwidth and prioritisation challenges.	▪ Clearer prioritisation of initiatives with the highest commercial impact. ▪ Increased use of shared services and cross-functional collaboration. ▪ Build scalable processes rather than one-off solutions.
Ensuring a consistent brand experience across inflight, retail and FMCG while adapting to different customer contexts.	▪ Centralised brand and product guidelines. ▪ Alignment of menu, pricing and messaging across channels. ▪ Refine execution according to customer feedback.

BUSINESS REVIEW
FOOD AND BEVERAGE (F&B)

KEY INITIATIVES

▶ Inflight Food & Beverage Management

Product Innovation

- Refresh of inflight menus to balance appeal, operational feasibility and margin discipline with a focus on regionally relevant and locally inspired offerings to cater to diverse passenger profiles.
- Expanded range of lighter meals and beverages, including reduced-sugar drinks and simpler ingredient profiles.
- Modular menu formats to allow flexibility across short-haul and long-haul routes, with clearer menu structuring to help guests make informed hoices onboard.
- Progressive reduction of complex preparations to improve consistency and quality.

Operational & Cost Efficiencies

- Menu rationalisation to reduce complexity, waste and handling costs.
- Centralised vendor management to leverage scale and improve pricing discipline.
- Enhanced use of sales and load factor data to optimise planning and menu loading.

Enhancing Take-Up Rate

- Optimised pricing and menu; and implemented targeted product placement and bundling strategies.

▶ Grab & Go Retail

Product Innovation

- Simplified menus designed for speed, consistency and repeat purchase with focus on portable, ready-to-consume items aligned with commuter and travel-led demand.
- Ongoing menu testing to identify high-performing hero items.
- Introduced lighter meals and beverages and portion-controlled offerings to cater to health-conscious consumers.

Operational & Cost Efficiencies

- Menu simplification to improve throughput and reduce food waste.
- Focus on store-level unit economics, including sales per square foot and labour productivity.
- Use of point of sales (POS) data to monitor SKU performance and customer buying patterns.
- Better visibility of daily sales and margin performance to support faster decision-making.

Expanding Customer Base

- Leveraging brand recognition from inflight to build trust and trial in physical retail.

▶ Fast-Moving Consumer Goods (FMCG)

Product Innovation

- Development of ready-to-eat and packaged products based on proven demand from operational channels.
- Focus on scalable formulations suitable for mass production and longer shelf life.
- Exploration of reduced-sugar, cleaner-label and portion-controlled products.

Operational & Cost Efficiencies

- Tight SKU discipline to focus resources on high-potential products.
- Early emphasis on margin structure and cost-to-serve by channel.
- Basic forecasting models to support production planning and inventory control.

BUSINESS REVIEW
FOOD AND BEVERAGE (F&B)



LOOKING FORWARD

2026 is set to be a year of foundational growth and strategic transition, marking the beginning of a five-year transformation. The company projects revenue growth driven by mobility and B2B segment as it begins to diversify into more lines of business. The year serves as the baseline for a targeted 27x expansion of the non-aviation business, which is central to achieving a 60:40 revenue mix by 2030.

Focus in 2026:

Core Business Optimisation (Mobility & Airlines):
- Integrate the inflight business of AirAsia Thailand for substantial revenue growth and validate the scalability of the central kitchen model.
- Enhance value proposition through strategic pricing and marketing to increase the average revenue per passenger to USD0.95 and the take-up rate to 35%.

Foundation for Non-Airline Growth (B2C & B2B):
- For B2C, validate the Grab & Go concept with the first few outlets in Malaysia and the Philippines.
- For B2B, the focus is on aggressive client acquisition in the retail and convenience store sectors (eg Zus, Petronas) and expansion into new revenue channels like HORECA and other mobility partners.
- Introduce iconic Santan products, such as freeze-dried coffee and ready-to-drink beverages, into the consumer market through eCommerce and retail partnerships.

BUSINESS REVIEW
AVIATION

Established as a low-cost carrier with only two aircraft in 2001, AirAsia has evolved into a prominent global brand, named the World's Best Low-Cost Airline by Skytrax for 16 consecutive years. With Air Operator Certificates (AOCs) in Malaysia, Thailand, Indonesia, the Philippines and Cambodia, AirAsia has built more skybridges across Asean (and now beyond) than any other airline. Connecting major cities as well as tier-two and tier-three destinations, the airline has made travel affordable and more accessible to more people in the region.

AirAsia's extensive network has led to Kuala Lumpur being ranked fourth as the most connected airport globally in the OAG Megahub index 2025, ahead of all other regional airports. The same index also ranks Kuala Lumpur as the world's top Low-Cost Carrier Airport Megahub, demonstrating the airline's economic and social contributions to Malaysia and the region.



2025 OVERVIEW

In 2025, travel demand continued to increase into and across Asean along with accelerated economic recovery, competitive fares, government-led tourism campaigns and digital efforts to facilitate cross-border movement.

For AirAsia, it was a year of consolidation across the group of airlines, with efforts made to return to normalcy following the extended post-Covid hiatus. A key focus was to bring more aircraft out of hibernation and optimise the expanded capacity through a strategic network review emphasising high-performing routes and new destinations with unmet demand. At the same time, AirAsia concentrated on maintaining optimum operational efficiency in terms of on-time performance and initiatives to go green.

During the year, six more aircraft were brought out of hibernation and reintroduced to the operating fleet. Following a route rationalisation exercise, the newly recovered aircraft were deployed mainly on domestic routes in key markets, balancing dominance with improving profitability. By year end, AirAsia had captured 60% and 40% of the Malaysian and Thai domestic markets, respectively. Of note, domestic capacity in Thailand reached pre-Covid levels. The airline was also able to capitalise on an unexpected rebound in travel to China by investing in new routes serving Asia's largest market, such as Johor Bahru-Kunming, Tawau-Guangzhou and Tawau-Shanghai.

The fare environment was competitive with foreign airlines mounting flights into Asean adding to already intensifying competition from regional low-cost carriers. Nevertheless, AirAsia fares exceeded 2019 levels by almost 30%, driven by improvements in domestic and Asean routes. In 2025, the airline also reduced its baggage pricing to boost all-in pricing competitiveness. This helped to improve seat sales and the baggage take-up rate, which increased by 40% YoY. A slight drop in the AirAsia Group load factor to 84%, however, evened out revenue, which came in at RM16.8 billion.

In preparation for consolidation with AirAsia X, which took place on 16 January 2026, a landmark Memorandum of Understanding (MoU) was signed with Airbus in July 2025 for 50 Airbus A321XLRs with additional rights for 20 Airbus A321XLRs. With this MoU, the airline has taken a major step towards becoming the world's first low-cost network carrier, anchored by a multi-hub strategy. The aircraft are scheduled for delivery commencing 2028 through 2032.

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
Maintaining on-time performance amid constrained aircraft availability and global supply chain bottlenecks affecting aviation parts.	▪ ADE helped dampen the effect of supply chain disruptions, though full resolution will take time. ▪ Use of digital platforms helped to improve flight scheduling and other key operational parameters enhancing efficiencies.
Cost inflation and increasing regulatory complexity, including departure taxes and airport fees in parts of Asean, are pressuring margins.	▪ Continue to leverage core strengths, particularly low-cost operations. ▪ Active engagement with regulators and industry stakeholders to promote balanced policies that achieve objectives without burdening airlines or passengers.
Weather-related disruptions and geopolitical uncertainty are weakening passenger confidence and influencing travel behaviour.	▪ Proactive engagements with key stakeholders to anticipate and manage regulatory environment development. ▪ Proactive communication with guests, for example posting information on how weather-related events can cause delays and what guests should expect, etc.

SUSTAINABILITY HIGHLIGHTS

- New A321neo aircraft are cutting the Group's carbon emissions, while smarter operations in the air and on the ground further promote fuel efficiency.
- Engage with regulators and carbon project owners to ensure the ability to meet international carbon offset requirements.
- Exploring alternative sustainable aircraft fuel (SAF) feedstock options with Airbus, while AirAsia Thailand is collaborating with the government to support its use.
- Helping guests understand the carbon footprint of their journeys, providing transparent carbon emissions per seat so they can make informed travel choices.

OPERATIONAL PERFORMANCE

AirAsia Malaysia (MAA)

MAA's focus was to get all its aircraft out of storage and into the air again in order to meet escalating travel demand. This demand was not only for international but also domestic travel, leading the airline to further increase its domestic capacity. This led to MAA capturing close to 60% of the domestic market. Internationally, China and Indonesia continued to be important markets, inspiring the introduction of three new routes to Kunming, Guangzhou and Shanghai; and four to Palembang, Semarang, Banjarmasin and Pontianak.

Year	No. guests carried	Capacity (available seat km)	Load factor	OTP	Operating aircraft at period end
2025*	**28.21 mil**	**43,588 mil**	**84%**	**66%**	**87**
2024	28.81 mil	41,532 mil	89%	76%	89
2019	35.03 mil	50,727 mil	84%	81%	97

AirAsia Thailand (TAA)

2025 was a challenging year for TAA, with an unprecedented earthquake, geopolitical conflicts and safety issues dampening tourism sentiment, especially arrivals from China. Arrivals from India reached a new high, yet remained only half of that from China. In response, TAA shifted its capacity towards domestic routes. Together with the highest OTP in the country and a dual-hub operating strategy at Don Mueang and Suvarnabhumi airports, TAA gained domestic market leadership enabling the airline to sustain stronger pricing than peers on strategic routes. Additionally, lower fuel prices and local currency depreciation contributed to a relatively resilient EBITDA margin. Sentiments improved by the later part of the year, with TAA returning to profitability in the fourth quarter.

Year	No. guests carried	Capacity (available seat km)	Load factor	OTP	Operating aircraft at period end
2025*	**18.94 mil**	**23,391 mil**	**83%**	**77%**	**56**
2024	20.82 mil	24,771 mil	91%	79%	56
2019	22.11 mil	26,940 mil	85%	86%	58

BUSINESS REVIEW
AVIATION

AirAsia Indonesia (IAA)

Despite reduced capacity, IAA strengthened its international network, particularly routes beyond Asean such as Australia where demand and yields remained relatively strong. Bali was further consolidated as a key international operating base, supporting international connectivity and Fly-Thru traffic while maximising the productivity of available aircraft. On the domestic front, IAA prioritised profitable and strategic routes. Through careful fleet allocation, route prioritisation and close coordination with the Group on maintenance and fleet planning, IAA sustained its network relevance with improved load factors while delivering stable performance.

Year	No. guests carried	Capacity (available seat km)	Load factor	OTP	Operating aircraft at period end
2025*	**5.35 mil**	**9,749 mil**	**83%**	**77%**	**21**
2024	6.61 mil	11,142 mil	87%	83%	24
2019	7.95 mil	11,926 mil	83%	82%	28

AirAsia Philippines (PAA)

2025 was a year of consolidation and putting systems in place to further strengthen PAA's foundations for sustainable growth. It was also a time for rebuilding guest confidence via enhanced service. Slot constraints at the Manila hub prompted a network strategy review, with the airline prioritising high-revenue routes to protect connectivity and commercial performance. While reopening the Cebu hub for domestic and international routes in November, operational control has been centralised in Manila, enabling faster and more coordinated decision-making. PAA also focused on driving further cost efficiencies, solidifying its next phase of growth.

Year	No. guests carried	Capacity (available seat km)	Load factor	OTP	Operating aircraft at period end
2025*	**5.45 mil**	**5,316 mil**	**86%**	**71%**	**16**
2024	6.80 mil	7,069 mil	90%	66%	16
2019	8.55 mil	11,273 mil	88%	71%	24

AirAsia Cambodia (CAA)

CAA's focus was on optimising its network, expanding frequencies on core routes and strengthening operational readiness to support sustainable growth. The airline successfully scaled flights from Siem Reap, Sihanoukville and Phnom Penh to Kuala Lumpur, reallocating capacity from underperforming routes to those with stronger demand. At the same time, improved operational processes, performance monitoring and stakeholder coordination fostered reliable partnerships, supporting stable operations as the network expanded. These efforts contributed to a positive EBITDA margin of ~21% within 18 months of taking off, with the airline becoming profitable in its first full year of operations.

Year	No. guests carried	Capacity (available seat km)	Load factor	OTP	Operating aircraft at period end
2025*	**392,582**	**559 mil**	**71%**	**85%**	**2**
2024	141,297	160 mil	55%	95%	2

LOOKING FORWARD

Travel demand is expected to remain strong in 2026, with Asia's expanding middle class complemented by enhanced travel facilitation such as visa relaxation, better immigration infrastructure and technological advancements.

Against this backdrop, AirAsia's focus will be on driving higher guest volumes via competitive fares, especially in Malaysia and Thailand where it commands domestic market leadership. With a much larger network that includes AirAsia X's reach, there will be better opportunities to improve Fly-Thru contribution, especially by leveraging India and China connectivity into Asean. Volume will be key to boosting ancillary revenue and the airline has set the target of lifting this to 20% of total revenue through further improvements in baggage and seat take-up rates as well the introduction of more innovative products.

As part of the larger AirAsia X Group, AirAsia will contribute towards relentless focus on cost efficiency, streamlining the delivery of additional aircraft in the coming years.

* *Operating statistics for the period between 1 January to 3 December 2025, in accordance with the completion of the disposal of aviation business to AirAsia X*

BUSINESS REVIEW
AVIATION

GTR
A SATS COMPANY

Ground Team Red (GTR) offers a comprehensive suite of services supporting airline operations across Peninsular and East Malaysia. These include passenger handling, ramp handling and airside operations; air cargo handling services supporting both passenger and freighter operations; and premium private jet handling services. Beyond its core offerings, GTR provides aircraft interior cleaning, ground support equipment maintenance and related airside services to ensure end-to-end operational continuity. The company also works closely with airline and logistics partners to optimise turnaround times, improve asset utilisation and support network and route expansion.



2025 OVERVIEW

The Asia Pacific ground handling industry continued to grow driven by surging air travel demand. Passenger traffic expanded by approximately 7.4% YoY, increasing requirements for ramp, cargo and aircraft handling services. As airlines expanded their fleets and routes, airports accelerated infrastructure investments to support long-term growth. At the same time, labour shortages remained acute across the region and operating costs continued to increase. Sustainability expectations are also intensifying, with airlines and airports placing greater emphasis on emissions reduction and long-term decarbonisation pathways.

In response, GTR focused on strengthening its operational reliability, expanding its service offerings and positioning itself to support growing airline demand amid a competitive and cost-sensitive operating environment. While sustainability remained a strategic priority, the deployment of additional electric ground support equipment was deferred due to delays in charging infrastructure readiness at airport sites. Instead, GTR focused on planning and stakeholder engagement to ensure future sustainability initiatives can be implemented safely, reliably and at scale once enabling infrastructure is in place.

CHALLENGES & THEIR MITIGATION

Challenge	Mitigation
Reduced workforce availability due to tight labour market conditions while airline traffic increased.	▪ Disciplined workforce planning, strengthened safety and training programmes and enhanced coordination with airline partners to manage higher traffic volumes.
Rising operating costs due to increased maintenance requirements and higher manpower utilisation arising from airside infrastructure conditions and elevated operational demand.	▪ Careful cost management including optimising asset utilisation, prioritising operational discipline and service reliability.
Delays in airport infrastructure readiness, particularly for electric vehicle charging.	▪ Phased implementation of capital investments aligned with operational readiness.

KEY INITIATIVES

- GTR pursued an aggressive strategy to grow its third-party airline customer base, expanding beyond AirAsia to serve a broader mix of passenger, cargo and specialised operators. This included the launch of premium private jet handling services, which gained strong market traction.
- It scaled its ground handling capacity to support increased flight frequencies and operational complexity, handling almost 200,000 flights and 25 million passengers across its network. Operational readiness was strengthened through enhanced manpower planning and equipment readiness to manage peak periods, ad hoc operations and network changes while maintaining consistent service standards.
- Preparatory work for fleet electrification made good progress, with GTR undertaking technical assessments, operational planning and infrastructure readiness reviews. Deployment timelines were recalibrated to align with airport charging infrastructure availability, ensuring sustainability initiatives remain operationally sound and commercially viable.
- Operational efficiencies were improved through better asset utilisation, preventive maintenance programmes and process optimisation to support higher volumes while managing cost pressures.

KEY ACHIEVEMENTS

- Added **two passenger airlines** and two freighter airlines to its customer base.
- 21% YoY increase in cargo volume moved, nearing **160,000 tonnes.**
- **Expanded cargo handling footprint to East Malaysia** with the launch of a new warehouse in Sandakan in April 2025.
- Strong uptake of premium private jet handling services, with over **359 flights** handled in 2025.
- **22% YoY growth** in revenue.

AWARDS

- **MSOSH Awards 2025:**
  - Gold Class 1 for Excellence in Occupational Safety and Health Performance
  - President's Award given to GTR's Chief Executive Officer, Musdalifa Abdullah

LOOKING FORWARD

While passenger and cargo demand across the region is expected to continue to increase in 2026, the operating environment remains cost-sensitive. Within this context, GTR will focus on strengthening its core operational performance and improving productivity while expanding its third-party and specialised handling services. Customers can expect continued focus on safety, reliability and operational consistency alongside further enhancements in service capabilities, process efficiency and sustainability performance as infrastructure constraints are progressively addressed.



SUSTAINABILITY STATEMENT

INTRODUCTION

In 2025, our focus evolved from building foundational awareness to executing tangible decarbonisation strategies and enhancing the rigour of our disclosure in accordance with the National Sustainability Reporting Framework (NSRF). This year's statement highlights our expanded reporting boundaries—capturing both our core aviation and non-aviation businesses—while detailing our progress. This statement should be read in conjunction with our 2025 Sustainability Report for a complete disclosure of our undertakings and performance metrics.

In alignment with the NSRF, specifically its use of proportionality mechanisms and transition reliefs to facilitate adoption, our focus has been on providing information that is reasonable, supportable and readily available, utilising qualitative approaches where necessary. We have also adopted a climate-first approach for our principal business segments and are striving towards full adoption of IFRS S1 and IFRS S2 by the year 2027.

JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

The preparation of our sustainability disclosures requires management to exercise inherent judgement and utilise estimates that affect our reported metrics. Key areas of judgement and uncertainty include:

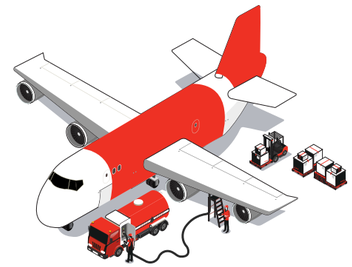
- **Risk & Opportunity Identification:** Exercising informed judgement to identify and assess the climate-related risks and opportunities that could reasonably be expected to impact our enterprise value and business prospects.
- **Scope 3 Methodologies:** Determining the most appropriate calculation methodologies for our Scope 3 greenhouse gas (GHG) emissions based on data maturity. We prioritise the use of high-quality primary data wherever feasible.
- **Data Estimation:** Acknowledging the inherent measurement uncertainties within GHG accounting. In instances where direct activity data or specific emission factors are unavailable, we apply estimation techniques and secondary data proxies to ensure the completeness of our reporting boundary.



OUR VALUE CHAIN

Capital A Group operates a highly synergistic ecosystem. Our business model extends far beyond traditional airline operations, encompassing a diverse portfolio of core entities: ADE (Maintenance Repair & Overhaul (MRO)), Teleport (Logistics), AirAsia MOVE (Online Travel Agency (OTA)), AirAsia Next, Santan (Food & Beverage (F&B)), AirAsia and GTR (Aviation).

Upstream



- **MRO & Logistics Inputs:** Procurement of aircraft parts, rotable components, and warehouse logistics infrastructure.
- **Digital & IT Sourcing:** Cloud computing infrastructure, data center services and software API integrations.
- **Food & Beverage (F&B) Sourcing:** Raw agricultural commodities, food ingredients and consumable packaging.
- **Aviation Procurement:** Sourcing of aircraft, aviation fuel and ground support equipment.

Own Operations



- **ADE:** MRO, component & warehouse and engineering support services.
- **Teleport:** Air cargo management, end-to-end cross border eCommerce delivery operations.
- **AirAsia MOVE:** Operation of the OTA super-app, ride-hailing and digital lifestyle services.
- **AirAsia Next:** Brand and IP management focused on strategic licensing, loyalty programmes and fintech payment solutions.
- **Santan:** In-flight meal production, commercial kitchen operations and on-ground restaurant management.
- **AirAsia and GTR:** Core passenger flight operations, flight dispatch and network management across multiple AOCs.

Downstream



- **Business partners:** Third-party airlines, eCommerce merchants, accommodation providers and corporate travel clients.
- **Guests:** Airline passengers, digital app users, ride-hailing customers and F&B consumers.

SUSTAINABILITY FRAMEWORK

Our approach integrates sustainability across all operations. As visualised below, this foundational framework guides our strategic decision-making and sustainable growth:

Vision
To be the brand for sustainable business setting industry standards to strengthen our competitive advantage

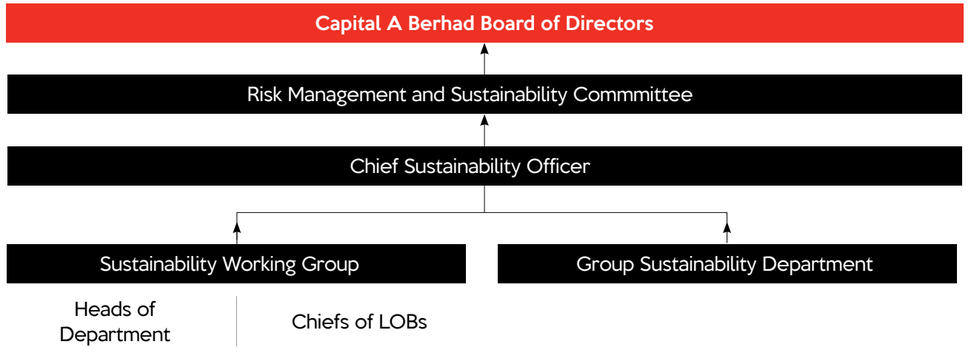
Mission
To think (and be) sustainable by integrating sustainability into our corporate DNA

	ECONOMIC	ENVIRONMENT	SOCIAL
Pillars			
Strategic Drivers	Strive for best practice Innovate to raise the bar	Reduce carbon footprint Minimise waste	Create an enabling and inclusive workplace Invest in our communities
Our Material Matters	Corporate Governance Sustainable Supply Chain Guest Experience Technology & Innovation Information Security & Data Privacy	Climate Strategy Waste Management	Health and Safety Diversity & Inclusion Talent Attraction & Retention Human Rights Community Investment
Key SDGs Alignment	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS		

SUSTAINABILITY GOVERNANCE

As the highest governing body at Capital A, the Board of Directors (BOD) is ultimately responsible for guiding Management and overseeing crucial issues pertaining to sustainability-related matters.

The Board of Directors, through the Risk Management and Sustainability Committee, provides direct oversight and guidance on strategies, frameworks and policies concerning material sustainability matters including climate change, governance and the guest experience. This ensures that all efforts remain aligned with the Group's broader strategic objectives.



Oversight Level	Responsibilities
Capital A's Board of Directors	▪ Holds overall responsibility for defining the Group's sustainability strategy and approach to material issues, particularly climate, with direct assistance from the Risk Management and Sustainability Committee (RMSC). ▪ Assesses collective skills and competencies through the Nomination and Remuneration Committee (NRC) to ensure effective oversight of sustainability and climate-related risks and opportunities. ▪ Receives progress reports on high-priority sustainability and climate-related matters quarterly.
Risk Management and Sustainability Committee (RMSC)	▪ Responsible for providing Board-level oversight, assessing the Group's strategic direction, policies, principles and practices related to both sustainability and risk management matters. ▪ Oversees sustainability and climate-related strategies, risks, opportunities and target-setting by evaluating trade-offs—balancing short-term transition costs against long-term operational resilience—to ensure all efforts are financially viable and aligned with overarching business objectives. ▪ Monitors quarterly progress against sustainability and climate-related targets, providing strategic direction and recommendations to ensure continuous alignment with overarching Group objectives.
Chief Sustainability Officer (CSO)	▪ Reports key sustainability and climate-related topics to the RMSC and Board of Directors quarterly to support informed, integrated business decision-making. ▪ Chairs the Sustainability Working Group (SWG) to review and provide advisory input on initiatives and efforts undertaken by the various heads of business units. ▪ Leads the Group Sustainability Department and spearheads the execution of Capital A's sustainability and climate-related efforts through the Group's approved governance processes, controls and procedures.

Oversight Level	Responsibilities
Sustainability Working Group (SWG)	▪ A cross-functional committee comprising department heads and sustainability representatives from all business units. ▪ Leverages sustainability and enterprise risk frameworks, policies and procedures to manage sustainability-related risks and opportunities, ensuring strategic initiatives are effectively operationalised throughout the organisation. ▪ Conducts quarterly meetings to review the progress of ongoing initiatives, integrate best practices and address new requirements.
Group Sustainability Department	▪ Core responsibilities include identifying key sustainability and climate-related risks and opportunities, leading the systematic implementation of initiatives and facilitating stakeholder engagement as well as sustainability reporting. ▪ Leads the rollout of all sustainability and climate-related initiatives across the Group.

Note:
For more information, please visit https://www.capitala.com/corporate_governance.html

SUSTAINABILITY POLICY

In 2025, we updated our Sustainability Policy to articulate our continuous commitment to key areas, including minimising our environmental footprint by avoiding and reducing pollution, enhancing operational efficiencies, serving our communities, ensuring the integrity of our systems and investing in and enabling our talent.

The updated Policy was formally approved by the Risk Management and Sustainability Committee and AirAsia Aviation Group Limited Sustainability Committee. It will be reviewed periodically to ensure continuous alignment with our evolving business and sustainability progress. Our overall ambition is to be responsible and accountable for our actions while effectively sustaining growth.

Note:
For more information on our Sustainability Policy, please visit https://www.capitala.com/misc/Capital_A_Sustainability_Policy_2025.pdf

CLIMATE-RELATED RISKS AND OPPORTUNITIES

To safeguard long-term enterprise value and ensure operational resilience, we recognise that climate-related risks and opportunities must be managed with the same rigour as traditional business risks. Consequently, we have integrated the identification, assessment and oversight of environmental, economic and social (EES) risks and strategic opportunities into our risk management processes. This holistic approach ensures comprehensive visibility and proactive mitigation across our entire value chain.

RISK IDENTIFICATION

We identify climate-related risks and opportunities through a process integrated within our Enterprise Risk Management (ERM) Framework. Existing and emerging risks across our operations and broader value chain are detected leveraging the following sources:

- **Integrated Risk Management and Due Diligence:** Utilising established internal processes to assess operational, financial and strategic risks.
- **Market Benchmarking:** Conducting comparative analyses with industry peers to identify common and evolving risks.
- **Stakeholder Engagement:** Actively engaging with internal and external stakeholders, through structured materiality surveys, focus groups and ongoing dialogue, among others, to capture diverse perspectives on material matters.

RISK ASSESSMENT AND PRIORITISATION

We assess climate-related risks and opportunities alongside other corporate risks by analysing their root causes (events or actions triggering the risk), consequences (potential outcomes), likelihood (probability of occurrence ranging from rare to almost certain) and impact (magnitude of effect ranging from insignificant to severe).

At the end of the evaluation, risks are rated as being Very High, High, Medium or Low. For all identified risks, we develop mitigation controls or leverage associated opportunities. These controls are evaluated for effectiveness to determine the residual risk level. Where risks are not adequately mitigated, additional controls and action plans are mandated.

VALIDATION, MONITORING AND OVERSIGHT

All risks are monitored continuously to ensure our risk responses remain relevant in a dynamic environment. For key risks, we monitor specific risk indicators to enable timely intervention and management. The resulting profile of sustainability and climate-related risks and opportunities is presented to the Risk Management and Sustainability Committee (RMSC) for formal oversight.

Through this process, we have identified the climate-related risks and opportunities (CRO) that are relevant to our business. For a detailed disclosure on the strategy, metrics and targets of our climate transition and physical risks, please refer to the Climate Strategy section of our 2025 Sustainability Report.



PRESCRIBED TABLE

Capital A Berhad
IFRS S2

Date & Time: 2026-04-20_18:04:54
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	5,785,598	Net Zero by 2050	Internal	Direct GHG emissions from sources that are owned or controlled by Capital A.
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	14,441	Net Zero by 2050	Internal	Indirect GHG emissions generated from purchased electricity and cooling.
GHG emissions	Scope 3 (Total)	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,210,768	Net Zero by 2050	Internal	Other indirect GHG emissions that occur in our value chain, including both upstream and downstream activities.
GHG emissions	Scope 3 Cat.1: Purchased goods and services	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,616	-	Internal	Emissions generated by the energy consumption of our outsourced cloud computing infrastructure.
GHG emissions	Scope 3 Cat.3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,201,334	-	Internal	Well-to-Tank (WTT) emissions, this accounts for the extraction, production, and transportation of our jet fuel, diesel, and petrol.
GHG emissions	Scope 3 Cat.4: Upstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO2e)	117	-	Internal	Emissions generated by third-party logistics and freight services utilised for the upstream transportation and distribution of goods.
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	5,181	-	Internal	Emissions generated by corporate duty travel and hotel accommodations.
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	2,520	-	Internal	Emissions generated by our workforce during their daily commutes.

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-20_18:04:54

PERFORMANCE TABLE

ECONOMIC

Indicators		2023	2024	2025
Corporate Governance				
Number of bribery and corruption cases reported		2	0	**0**
Number of discrimination or harassment cases		33	28	**14**
Sustainable Supply Chain				
Total number of new suppliers		1,499	1,091	**1,110**
Total number of critical suppliers		111	153	**234**
Total spend on local suppliers (RM)*		3,010,656,236	2,482,053,337	**5,266,657,031**
Guest Experience				
Customer satisfaction**	ADE	-	-	**95%**
	Teleport	87%	96%	**96%**
	AirAsia MOVE ▪ NPS ▪ CSAT	 ▪ 49 ▪ 55% (live chat); 44% (email)	 ▪ 44 ▪ 72% (live chat); 58% (email)	**55**
	Santan (NPS)	9	19	**56**
	BigPay (CSAT)	94%	92%	**90%**
	Academy	93%	94%	**98%**
	AirAsia ▪ NPS ▪ CSAT	 ▪ 52 ▪ 67%	 ▪ 47 ▪ 86%	 ▪ **53** ▪ **89%**
	GTR (NPS)	49	49	**55**
On-time performance		77%	76%	**71%**
Percentage short-haul flights (<6 hours) with more than 15-minute delay		23%	24%	**29%**
Load factor for short-haul flights (<6 hours)		88%	89%	**84%**
Technology & Innovation				
Corporate data literacy score		66.2%	70.2%	**72.4%**
Information Security & Data Privacy				
Total number of information security breaches or other cybersecurity incidents		0	0	**0**
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents		0	0	**0**

* *Excludes fuel, aircraft purchase & lessors*

** *NPS: Net Promoter Score; CSAT: Customer satisfaction score*

ENVIRONMENT

Indicators		2023	2024	2025
Climate Strategy				
Scope 1 (tonnes CO_2e)		4,876,565	5,440,467	**5,785,598**
Scope 2 (tonnes CO_2e)		9,972	12,516	**14,441**
Scope 3 (tonnes CO_2e)*		1,020,2673	1,144,109	**1,210,768**
Fuel consumption (tonnes)		1,528,233	1,704,216	**1,812,078**
Carbon intensity ratio (gCO_2/RPK)		74.0	72.3	**75.5**
Carbon intensity ratio (gCO_2/ASK)		64.4	63.7	**62.9**
Non-renewable electricity purchased (MWh)		15,083	18,147	**21,067**
Energy use intensity (kWh/m²/yr)*		116	140	**147**
NOx emissions (tonnes)		2,675	4,183	**4,366**
NOx emissions intensity (gNOx/RPK)d		0.041	0.057	**0.066**
SOx emissions (tonnes)		285	332	**336**
Volatile organic compounds (VOC) emissions (tonnes)		986	1,115	**1,163**
Waste Management				
Hazardous waste	Solid waste (tonnes)*	82.9	88.3	**109.7**
	Liquid waste (litres)	26,796	37,625	**14,814**
Non-hazardous waste generated (tonnes)		1,003	1,714	**2,495**
Waste diverted from disposal (tonnes)		494	816	**940**
Waste disposed (tonnes)		509	898	**1,556**
Food waste (kg)		765,416	718,111	**667,043**

* *Restated 2023–2024 performance data to reflect refined calculation methodologies and enhanced data integrity.*

SOCIAL

Indicators			2023	2024	2025
Health & Safety					
Total manhours worked			38,881,088	42,579,500	**44,185,704**
Number of recordable work-related injuries			68	76	**90**
Lost time injury (originally number of lost days)			1,306	1,324	**1,166**
Lost Time Injury Rate (LTIR)			7.0	6.2	**5.3**
Incident rate			3.8	3.6	**4.5**
Severity rate			33.6	30.2	**26.4**
Safety Training					
Safety training hours			200,586	5,655	**10,590**
Average safety training hours per employee			233	7.6	**32**
Diversity & Inclusion					
Total number of employees			21,063	21,851	**20,555**
Distribution by Gender	Female		7,069 (33.6%)	7,375 (33.8%)	**6,702 (32.6%)**
	Male		13,994 (66.4%)	14,476 (66.2%)	**13,853 (67.4%)**
Distribution by Employment Type	Full-time	Female	5,660 (32.5%)	6,011 (32.3%)	**5,725 (31.6%)**
		Male	11,768 (67.5%)	12,610 (67.7%)	**12,393 (68.4%)**
		Total	17,428	18,621	**18,118**
	Contract	Female	1,408 (38.7%)	1,347 (41.7%)	**977 (5.4%)**
		Male	2,227 (61.3%)	1,883 (58.3%)	**1,460 (8.1%)**
		Total	3,635	3,230	**2,437**
Talent Attraction & Retention					
New hires	By Gender	Female	1,818 (37.6%)	1,503 (39.1%)	**826 (43.5%)**
		Male	3,011 (62.4%)	2,337 (60.9%)	**1,074 (56.5%)**
		Total	4,829	3,840	**1,900**
	By Age Group	Below 30 years	3,438	2,725	**1,330 (70%)**
		30-50 years	1,324	1,097	**598 (31%)**
		Above 50 years	67	18	**27 (1%)**
	By Employee Category	Senior Management	26	41	**4 (0.2%)**
		Management	231	179	**155 (8.2%)**
		Executive	1,488	1343	**565 (29.7%)**
		Non-Executive	3,084	2,277	**1,232 (64.8%)**
Open positions filled by internal candidates			1,350	1,336	**98**

SOCIAL

Indicators			2023	2024	2025
Employee turnover rate (%)	Female		14.4%	5.5%	**4.1%**
	Male		10.7%	8.8%	**6.6%**
Turnover by employee category and gender	Senior Management	Female	56.6%	34.3%	**19.2%**
		Male	43.4%	65.7%	**15.1%**
	Management	Female	67.4%	31.5%	**14.5%**
		Male	32.6%	68.5%	**7.0%**
	Executive	Female	54.7%	40.9%	**8.2%**
		Male	45.3%	59.1%	**9.4%**
	Non-Executive	Female	58.7%	37.9%	**18.7%**
		Male	41.3%	62.1%	**11.4%**
Training					
Amount invested in training (RM)*			3.7 million	2.9 million	**2.1 million**
Human Rights					
No. Allstars completed anti-harassment training			2,965	1,014	**6,739**
No. Allstars completed anti-trafficking e-learning module			7,835	870	**4,255**
Community Investment					
AirAsia Foundation - grants awarded (RM)			244,097	176,150	**196,760**
AirAsia Foundation - amount disbursed (RM)			89,693	176,548	**123,107**
Contributions to the community (RM)			119,617	35,831	**1,009,590**
Number of volunteering hours			914	839	**912**

* *Amount invested includes only regulated training for pilots, cabin crew, and aircraft engineers as required by relevant civil aviation authorities and agencies*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Kamarudin Bin Meranun
(Non-Independent Executive Chairman)

Tan Sri Anthony Francis Fernandes (widely known as Tan Sri Tony Fernandes)
(Non-Independent Executive Director and Chief Executive Officer)

Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar
(Non-Independent Non-Executive Director)

Dato' Fam Lee Ee
(Senior Independent Non-Executive Director)

Dato' Mohamed Khadar Bin Merican
(Independent Non-Executive Director)

Brig Gen Dato' Fadzillah Binti Abdullah (R)
(Independent Non-Executive Director)

AUDIT COMMITTEE

Chairman
Dato' Mohamed Khadar Bin Merican

Members
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar
Dato' Fam Lee Ee

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Dato' Fam Lee Ee

Members
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar
Brig Gen Dato' Fadzillah Binti Abdullah (R)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairman
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar

Members
Dato' Mohamed Khadar Bin Merican
Brig Gen Dato' Fadzillah Binti Abdullah (R)

SAFETY REVIEW BOARD

Chairman
Dato' Fam Lee Ee

Member
Dato' Mohamed Khadar Bin Merican

COMPANY SECRETARY

Teo Soh Fung (SSM PC NO. 202008001818) (MAICSA 7046614)

AUDITORS

BDO PLT
[Registration No.: 201906000013 (LLP0018825-LCA) & AF 0206 02982/08/2027 J]
Chartered Accountants
Level 8, BDO @ Menara Centara,
360 Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.
Tel : (603) 2616 2888
Fax : (603) 2616 2970

REGISTERED OFFICE

Wisma Capital A
19-04-02, No.19 Lorong Dungun,
Bukit Damansara,
50490 Kuala Lumpur.
Tel : (603) 8660 4333

HEAD OFFICE & INVESTOR RELATIONS

Wisma Capital A
19-04-02, No.19 Lorong Dungun,
Bukit Damansara,
50490 Kuala Lumpur.
E-mail : capitala_ir@airasia.com
Website : capitala.com
Social Media : LinkedIn (www.linkedin.com/company/capitala-berhad/)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
[Registration No.: 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

Tel : (603) 2783 9299
Fax : (603) 2783 9222
E-mail : is.enquiry@my.tricorglobal.com
Website : www.tricorglobal.com

Tricor's Customer Service Centre:
Unit G-3, Ground Floor, Vertical Podium,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Listing Date : 16 April 2018
Stock Name : CAPITALA
Stock Code : 5099

AirAsia MOVE

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Best Hotel Deals

Cheapest Airport Rides

Events Across Asean



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T&C apply.

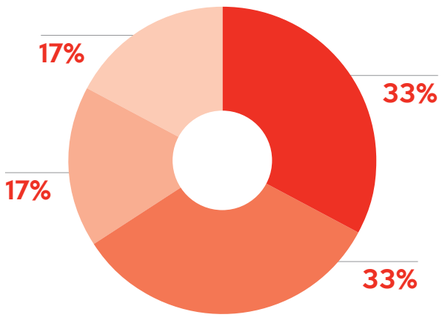
santan

Making Asean Food Accessible for Everyone

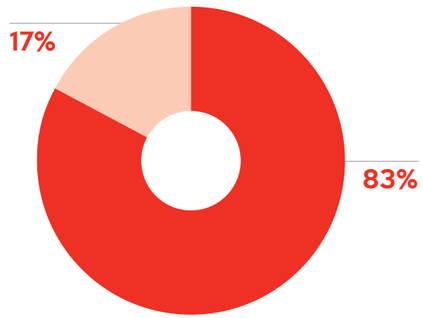


BOARD AT A GLANCE

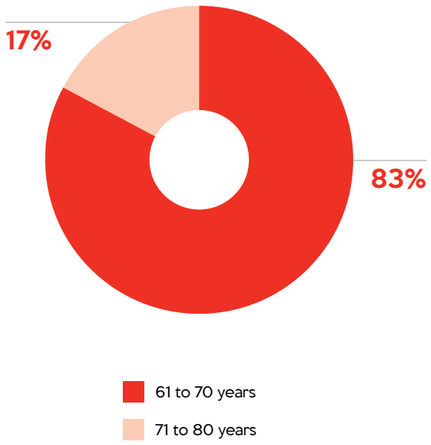
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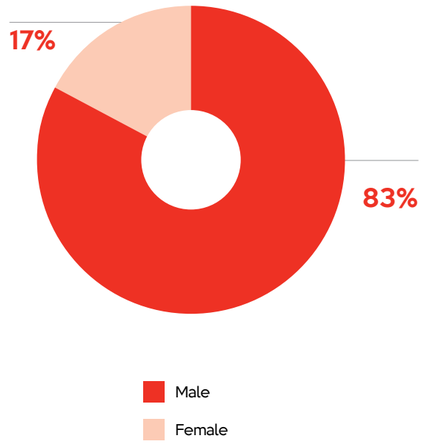
LENGTH OF SERVICE



AGE



DIVERSITY



None of the directors have any family relationship with any other director and/or major shareholder of the Company, nor any personal interest in any business arrangement involving the Company. None have been convicted of any offence within the past five (5) years other than traffic offences, if any, nor have had any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DIRECTORS' PROFILES



DATUK KAMARUDIN BIN MERANUN

Non-Independent Executive Chairman

64 M

Date of Appointment:
30 March 2018

Board Committees Served
Nil

Academic & Professional Qualifications
- Master of Business Administration (MBA), Central Michigan University (1987)
- BSc in Actuarial Science with Distinction (Magna Cum Laude), University Technology MARA (UiTM) (1986)
- Diploma in Actuarial Science, UiTM

Other Current Board Positions
- AirAsia X Berhad (Non-Independent Non-Executive Director)
- Red Giants Football Club (Director)

Present Principal Commitments as at 31 December 2025 (other than directorships)
Nil

Past Experience
- Co-founded AirAsia (2001)
- Executive Director, Innosabah Capital Management Sdn Bhd (from 1994)
- Portfolio manager, Arab-Malaysian Merchant Bank (1988-1993)

Awards/Recognition
- Darjah Panglima Jasa Negara (PJN) carrying the title Datuk (2013)



TAN SRI ANTHONY FRANCIS FERNANDES

Non-Independent Executive Director & Chief Executive Officer

61 M

Date of Appointment:
30 March 2018

Board Committees Served
Nil

Academic & Professional Qualifications
- Fellow of the Association of Chartered Certified Accountants (ACCA)
- Member of the Institute of Chartered Accountants in England and Wales (ICAEW)

Other Current Board Positions
Nil

Present Principal Commitments as at 31 December 2025 (other than directorships)
Nil

Past Experience
- Co-founded AirAsia (2001)
- Vice President for Southeast Asia, Warner Music Group
- Started his career in Virgin Group

Awards/Recognition
- Commander of the Order of the British Empire (2011)
- Commander of the Legion d'Honneur
- Panglima Setia Mahkota carrying the title "Tan Sri"



DATO' MOHAMED KHADAR BIN MERICAN

Independent Non-Executive Director

69 M

Date of Appointment:
30 March 2018

Board Committees Served
- Audit Committee (Chairman)
- Risk Management and Sustainability Committee
- Safety Review Board

Academic & Professional Qualifications
- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)

Other Current Board Positions
- BNP Paribas Malaysia Berhad (Independent Non-Executive Chairman)
- Tune Protect Group Berhad (Independent Non-Executive Chairman)
- Asia Aviation Public Company Limited, listed on the Stock Exchange of Thailand (Director)
- Iris Corporation Berhad (Director)
- Rashid Hussain Berhad (in members' voluntary liquidation) (Director)

Present Principal Commitments as at 31 December 2025 (other than directorships)
Nil

Past Experience
- Various senior management roles culminating in President and Chief Operating Officer, Pernas International Holdings Berhad (1988-2003)
- Auditor and consultant in an international accounting firm, before joining a financial services group in 1986

Awards/Recognition
- "Chairman of The Year" by the Minority Shareholders Watch Group at Asean Corporate Governance Index Awards 2013 (as chairman of RHB Capital)

OUR SENIOR MANAGEMENT TEAM



DATO' FAM LEE EE

Senior Independent Non-Executive Director

64 M

Date of Appointment:
30 March 2018

Board Committees Served
- Nomination and Remuneration Committee (Chairman)
- Safety Review Board (Chairman)
- Audit Committee

Academic & Professional Qualifications
- BA (Hons) from the University of Malaya
- LLB (Hons) from the University of Liverpool, England

Other Current Board Positions
- AirAsia X Berhad (Non-Independent Non-Executive Chairman)
- Thai AirAsia X Co, Ltd (Director)
- Malaysia-China Business Council (Director)

Present Principal Commitments as at 31 December 2025 (other than directorships)
- Senior Partner, Messrs. Gan & Zul
- Legal advisor, Chinese Guilds and Association
- Legal advisor, Yayasan SSL Haemodialysis Centre in Petaling Jaya
- Honorary Adviser, Perlis Chinese Chamber of Commerce and Industry
- Council member, International Commercial Dispute Prevention & Settlement Organisation (ICDPASO)

Past Experience & Achievements
- Member, Board of Trustees of Yayasan PEJATI (1996-2007)
- Law practice (since 1991)



DATO' ABDEL AZIZ @ ABDUL AZIZ BIN ABU BAKAR

Non-Independent Non-Executive Director

72 M

Date of Appointment:
30 March 2018

Board Committees Served
- Risk Management and Sustainability Committee (Chairman)
- Audit Committee
- Nomination and Remuneration Committee

Academic & Professional Qualifications
- Diploma in Agriculture, Universiti Pertanian Malaysia
- BSc in Agriculture Business, Louisiana State University, USA
- MBA, University of Dallas, USA

Other Current Board Positions
- Pegasus Heights Berhad (Independent Non-Executive Chairman)
- Yayasan Astro Kasih (Director)

Present Principal Commitments as at 31 December 2025 (other than directorships)
- Nil

Past Experience & Achievements
- Co-founded AirAsia (2001)
- Chairman, Performance and Artistes Rights Malaysia Sdn. Bhd. (PRISM) and the Academy of Malaysian Music Industry Association (PAIMM)
- General Manager subsequently Managing Director, BMG (1989-1999)
- Executive Director, Showmasters (M) Sdn. Bhd. (1981-1983)



BRIG GEN DATO' FADZILLAH BINTI ABDULLAH (R)

Independent Non-Executive Director

62 F

Date of Appointment:
1 November 2024

Board Committees Served
- Risk Management and Sustainability Committee
- Nomination and Remuneration Committee

Academic & Professional Qualifications
- Post Graduate Diploma in Strategic Studies, University Malaya
- Bachelor of Science in Electrical Engineering, Fairleigh Dickinson University, New Jersey, USA
- Master of Management Studies in Project Management, University of New South Wales, Australia

Other Current Board Positions
Nil

Present Principal Commitments as at 31 December 2025 (other than directorships)
Nil

Past Experience & Achievements
- Served as a military pilot (1987-1994)
- Was the first female pilot in RMAF.
- Specialist Officer, Electronic Warfare Centre (1994-2007)
- Director of Air Capability, Plans and Procurement (2007-2017)
- Director General, Defence Training Department (2017-2024)

TAN SRI ANTHONY FRANCIS FERNANDES

Non-Independent Executive Director and Chief Executive Officer

61 M

Tan Sri Tony Fernandes also sits on the Board of Capital A Berhad. For more information on his profile, please refer to page 111.

EFFENDY SHAHUL HAMID

Deputy Chief Executive Officer, Capital A

52 M

Academic/Professional qualifications:
- Advanced Management Programme, Harvard Business School, Boston, United States of America
- Digital Business Leadership Programme, Columbia Business School, New York, United States of America
- CIMB-INSEAD Leadership Programme, INSEAD, Singapore
- Bachelor of Engineering with Honours (BEng) (Hons) in Electronic Engineering with Optoelectronics, University College London, United Kingdom

Present Directorship(s) in Listed Entities/Other Public Companies:
Nil

Current responsibilities:
He works closely with the CEO of Capital A and leadership teams across Capital A's portfolio companies and the AirAsia Aviation Group to strengthen strategic decision-making, deepen ecosystem synergies and ensure disciplined execution as the Group enters its next phase of growth. His mandate includes driving value creation across Capital A's core businesses – Asia Digital Engineering, Teleport, AirAsia MOVE, AirAsia Next and Santan – while helping shape the Group's financial services and digital innovation ambitions.

Previous experience:
Effendy brings more than two decades of regional leadership experience spanning banking, digital transformation, partnerships and ecosystem building. During his 21-year tenure at CIMB Group, he led its digital banking agenda, strategic partnerships and investments, including the evolution of Touch 'n Go into a leading digital payments platform through its joint venture with Ant Group. He began his career in investment banking and corporate development across Asia Pacific, focusing on mergers and acquisitions and expansion initiatives.

OUR CEOs

ROZMAN OMAR

Executive Vice President, Capital A

63 M

Academic/Professional qualifications:
- Chartered Accountant, the Association of Chartered Certified Accountants

Present Directorship(s) in Listed Entities/Other Public Companies:
Nil

Current responsibilities:
Leads the Group Treasury, Aircraft and Corporate Finance functions across Capital A and its subsidiaries. He is responsible for managing the company's investment strategies, optimising capital allocation and ensuring financial sustainability. He oversees financing and leasing arrangements, asset management and strategic financial planning to support Capital A's long-term growth and operational objectives. Additionally, Rozman serves as a Director of AirAsia SEA Limited, where he contributes to governance and strategic decision-making.

Previous experience:
Rozman began his career in investment banking in 1984, gaining extensive experience with leading institutions such as Arab-Malaysian Merchant Bank Berhad (now AmInvestment Bank), Bumiputera Merchants Bankers Berhad and Innosabah Corporate Services Sdn Bhd. In 2004, he joined AirAsia as Chief Financial Officer of AirAsia Indonesia, where he played a key role in establishing the financial foundation of the airline's operations.

TEH MUN HUI

Chief Financial Officer, Capital A

54 F

Academic/Professional qualifications:
- Bachelor of Accounting (BAcc) (Hons), Universiti of Malaya, Malaysia
- Certified Public Accountant (MICPA)

Present Directorship(s) in Listed Entities/Other Public Companies:
Nil

Current responsibilities:
Manages the finance functions across Capital A's entities. Her responsibilities include statutory and Bursa Malaysia reporting, financial analysis, cash flow management, compliance and leading merger and acquisition (M&A) activities.

Additionally, she spearheads the PN17 regularisation plan, ensuring the company's financial strategies align with its long-term growth objectives while maintaining operational efficiency and regulatory compliance.

Previous experience:
Mun Hui served as Chief Financial Officer of AirAsia Aviation Group Limited (AAAGL), where she was instrumental in guiding the company's recovery from the pandemic and Capital A's exit from PN17 status. With over 20 years of finance experience, she has demonstrated exceptional expertise in managing finance operations and delivering strategic business insights. Mun Hui led major initiatives, including the proposed disposal of Aviation to AirAsia X Berhad and the issuance of a USD443 million Revenue Bond, which was named "Overall Deal of the Year" by Airline Economics Aviation. Her achievements earned her the title of "CFO of the Year" and solidified her reputation as a leader in aviation finance.

In 2025, she was also named #81 in the Most Powerful Women Asia by Fortune.

MAHESH KUMAR JAYA KUMAR

Chief Executive Officer, Asia Digital Engineering (ADE)

41 M

Academic/Professional qualifications:
- Bachelor of Technology, Aeronautical Engineering, Nehru College of Aeronautics, India

Present Directorship(s) in Listed Entities/Other Public Companies:
Nil

Current responsibilities:
Drives Asia Digital Engineering (ADE)'s growth, building it into a full-service, technology-enabled maintenance, repair and overhaul (MRO) leader. Under his guidance, ADE provides innovative, end-to-end engineering solutions to AirAsia and a growing network of international airlines, setting new benchmarks for efficiency and operational excellence in the region.

Previous experience:
Mahesh joined AirAsia in 2009 and has held various leadership roles in engineering and asset management. As Head of Fleet & Technical Asset Management, he led two major aircraft portfolio deals worth USD3.6 billion, earning the 2018 Air France Journal Award and 2019 APAC Airline Economics Award. He also served as Senior Vice President, Technical, Asia Aviation Capital Limited, AirAsia's aircraft leasing arm. Mahesh played a key role in projects such as defining aircraft and engine selection, establishing AirAsia India Engineering and transforming Zest Airways into AirAsia Philippines. In recognition of his outstanding leadership in aerospace, he was named Executive of the Year, Aerospace, at the Malaysia Management Excellence Awards 2025.

PETE CHAREONWONGSAK

Chief Executive Officer, Teleport

38 M

Academic/Professional qualifications:
- Master of Engineering (MEng) in Chemical Engineering, University of Cambridge, United Kingdom
- Master (ALM) in Finance, Harvard University, United States of America
- Bachelor of Arts (BA Hons) in Chemical Engineering, University of Cambridge, United Kingdom

Present Directorship(s) in Listed Entities/Other Public Companies:
Independent Director of MR D.I.Y Holding (Thailand) Public Company Limited since May 2023, which is in the process of obtaining approval for listing on the Stock Exchange of Thailand.

Current responsibilities:
Leads Teleport, an integrated eCommerce logistics specialist and a market leader in Southeast Asia, to help businesses move goods reliably across Southeast Asia in a faster, more accessible and affordable way than with any other logistics entity.

Previous experience:
Pete has extensive experience in business development, operations and investment banking. In 2012, he joined the AirAsia Group, where he played a key role in expanding the company's footprint across Asia. As Group Head of Business Development, he was instrumental in establishing new airlines, including AirAsia India and AirAsia Japan and managed key merger and acquisition transactions. He later served as the Regional Chief Operating Officer for Philippines AirAsia, where he successfully led the airline's turnaround. Pete is the founding Chief Executive Officer of Teleport in 2018.

He worked as a strategy consultant before moving into investment banking with Phatra Securities and CIMB Investment Bank. During this time, he was also an official advisor to the Thailand Trade Representative Office, where he focused on promoting international trade and cross-border investments. He currently serves on the boards of Teleport, Freightchain and EasyParcel and is an independent director for MR D.I.Y. Holding (Thailand).

NADIA OMER

Chief Executive Officer, AirAsia MOVE

46 F

Academic/Professional qualifications:
- Master of Business Administration (MBA), Lahore University of Management Sciences, Pakistan
- Bachelor of Science in Mathematics, Statistics & Economics, Lahore University of Management Sciences, Pakistan

Present Directorship(s) in Listed Entities/Other Public Companies:
Nil

Current responsibilities:
Leads AirAsia MOVE, driving its vision to become the est-value one-stop travel platform in Asean. She focuses on enhancing the platform's offerings, fostering innovation and delivering value to customers and stakeholders across the travel space.

Previous experience:
Nadia has extensive experience in category conversion, habit change and building new categories within Asia and Asean. She began her career at P&G and held senior roles at Nestlé and PepsiCo. Before joining AirAsia MOVE, she served as Chief Business Officer of Cars24, Southeast Asia. Nadia is also a mentor at Antler, supporting young founders in tech and eCommerce and is passionate about nurturing talent and empowering young female professionals.

DENNIS LEE

Chief Executive Officer, AirAsia Next

49 M

Academic/Professional qualifications:
- Master of Business Administration (MBA), KAIST Business School, Seoul, South Korea
- IMBA Exchange, Tsinghua University, Beijing, China
- Bachelor of Arts in Fashion Management, Yonsei University, Seoul, South Korea

Present Directorship(s) in Listed Entities/Other Public Companies:
Nil

Current responsibilities:
Directs the evolution of the AirAsia brand into a vibrant lifestyle ecosystem designed to enrich the customer journey with more engaging and enjoyable experiences. Under his leadership, AirAsia Next builds new revenue streams through a multi-faceted strategy encompassing IP brand licensing, strategic partnerships, integrated content, curated merchandising and high-profile sponsorships.

A pivotal aspect of his role is to create powerful group synergies. By elevating Group-level brand management, redefining the brand hierarchy and unifying all AirAsia brands under one cohesive family with a consistent tone and manner, he strengthens brand equity and enhances cross-business synergy. Leveraging AI and data to deliver highly personalised products and services, further, he enhances customer satisfaction, contributing directly to increased revenue share of AirAsia's own OTA platform. The strategy lowers customer acquisition costs, increases overall profit and ultimately ensures the long-term profitability and sustainable growth of the entire AirAsia business.

Previous experience:
Dennis has over 20 years of global leadership experience across retail, media, entertainment and IP-driven brand businesses, with a strong track record of scaling operations across the US, Canada, Latin America, South Korea, Singapore, Hong Kong, Thailand and other major Asian markets. He began his career at Samsung, holding management roles in Samsung Fashion and Samsung Duty Free, where he oversaw merchandising, global procurement and luxury brand management. He later held senior leadership positions at CJ Entertainment & Media, leading corporate strategy, global business development and Southeast Asia expansion, pioneering the globalisation of Korean entertainment content. Prior to joining AirAsia Next, he served as CEO of LINE FRIENDS Hong Kong and the Americas, driving international expansion, IP commercialisation, retail distribution and cross-border partnerships—successfully launching K-pop IP brands (including BT21 by BTS) into major US retailers such as Walmart for the first time, while also leading the company's first direct market entry and expansion into Canada.

CATHERINE GOH

Chief Executive Officer, Santan

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Academic/Professional qualifications:
- Bachelor of Finance and Marketing, Upper Iowa University, United States of America

Present Directorship(s) in Listed Entities/Other Public Companies:
Nil

Current responsibilities:
Oversees core initiatives under the Santan Food Service Company, including AirAsia Group's inflight catering, B2B airline sales, corporate catering and supply chain management since her appointment in April 2024. She also fosters partnerships with brands like Zus Coffee and PETRONAS, strengthening and diversifying the company's offerings.

Previous experience:
Catherine joined the AirAsia Group in 2014 and has held several leadership roles, including Network, Charter and Fleet Planner; Executive Assistant to the Group CEO; Regional Head of Inflight Catering; and Regional Head of Inflight Retail. She transformed inflight operations, achieving 200% revenue growth in Duty-Free within six months and delivering the highest per-passenger revenue in AirAsia's history. Her extensive experience in inflight operations and strategic planning has been instrumental in driving growth and operational excellence across the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board or Directors) of Capital A Berhad (Capital A or the Company) is steadfast in its commitment to upholding strong corporate governance (CG) practices, ensuring transparency, accountability and integrity across the Capital A group of companies (the Group).

Recognising that effective governance is the foundation of sustainable growth, the Board, together with Management, is dedicated to fostering a culture of ethical leadership, sound decision-making and continuous improvement in CG practices. As the business landscape evolves, the Company remains proactive in refining its governance framework to align with emerging best practices and evolving regulatory expectations.

In this regard, the Board is pleased to present an overview of the Company's CG practices for the financial year ended 31 December 2025 (FYE 2025). This report is structured in accordance with the three key principles outlined in the Malaysian Code on Corporate Governance 2021 (MCCG):

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Ensuring a well-structured, high-performing Board that drives strategic direction and sustainable value creation.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Strengthening oversight mechanisms to safeguard financial integrity and manage risks prudently.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL STAKEHOLDER ENGAGEMENT

Upholding transparency and fostering trust through clear, accurate and responsible communication.

For a more detailed account of the Company's CG practices, this CG Overview Statement should be read in conjunction with the **Corporate Governance Report 2025** (CG Report), available on the Company's corporate website at **www.capitala.com**.

BEST PRACTICES INTRODUCED UNDER MCCG

Our Board is pleased to inform that, save for items listed below, we have fully complied with all the MCCG Practices for the financial year:

MCCG		Explanation for Departure/Timeline	Alternative Practices Adopted
Practice 5.2	**At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.**	The Board is of the view that, although its three (3) Independent Directors do not constitute a majority of the Board, they are able to provide independent perspectives and sound judgment in the Board's decision-making process. The Independent Directors have consistently demonstrated independence and objectivity during the Board and Board Committee meetings, and proposals put forward by Management are subject to their thorough and careful scrutiny. Furthermore, the Independent Directors have provided annual declarations of their independence as defined under paragraph 1.01 of the Listing Requirements.	-
Practice 5.9	**The board comprises at least 30% women directors.**	The NRC and the Board will actively seek women to join the Board. The selection of candidates will be based on suggestions from existing Board members, senior management, major shareholders, external search firms and/or other independent sources. The ultimate decision on the appointment of a Director will be based on merit in the context of the skills, experience and contributions the chosen candidate will bring.	-
Practice 8.2	**The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.**	The Company does not comply with the recommendation in order to preserve confidentiality, avoid potential negative implications arising from such disclosures, and uphold a stable and cohesive work environment that supports the Company's long-term strategic objectives.	The disclosure of the salary of the top five (5) senior management is made on an aggregate basis in the Audited Financial Statements for the financial year.

BEST PRACTICES INTRODUCED UNDER MCCG

Our Board is pleased to inform that, save for items listed below, we have fully complied with all the MCCG Practices for the financial year:

MCCG		Explanation for Departure/Timeline	Alternative Practices Adopted
Practice 13.3	**Listed companies should leverage technology to facilitate:** ▪ **Voting including voting in absentia; and** ▪ **Remote shareholders' participation at general meetings.**	In line with the announcement made by Securities Commission Malaysia and Bursa Malaysia Berhad dated 30 August 2024 on the requirement for public listed companies to conduct physical general meetings, the Company's EGMs and the Eighth AGM held on 7 May 2025 and 13 June 2025 respectively, were conducted fully on a physical basis.	-
	Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy & security to prevent cyber threats	The Company facilitates shareholders' participation at the general meetings through physical attendance at an accessible meeting venue. The Board ensures that shareholders are able to engage directly with the Board and senior management, raise questions, and exercise their voting rights in person or by proxy during the meeting. A clear administrative note and voting procedures were issued to support shareholders' participation at the general meetings. Shareholders who are unable to attend in person are granted the right to appoint proxies to vote in their place by submitting the duly executed proxy form to the Company's share registrar in hard copy or by electronic means. Shareholders can appoint any persons as their proxies who, in turn, are allowed to attend, vote and raise enquiries (if any) in their capacity during the general meetings.	

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board of Capital A is guided by its Board Charter, which sets out its fiduciary duties, responsibilities and overarching governance framework. It assumes full and effective control over the Group's affairs, ensuring the establishment of sound policies, strategic direction and high standards of corporate accountability. The Board actively oversees the Company's management and operations while monitoring the performance and effectiveness of senior management.

By maintaining a robust governance framework, the Board is committed to delivering long-term shareholder value while safeguarding the interests of all stakeholders. Working closely with Management, the Board ensures that business operations are conducted prudently within the relevant regulatory framework.

The Board is supported by a qualified and experienced Company Secretary who keeps the Board informed of regulatory updates, corporate governance developments, and evolving best practices.

To uphold transparency and informed decision-making, Directors have independent access to the Company Secretary's advisory services, as well as the ability to consult senior management on relevant jurisdictional matters. When necessary, they may also seek independent professional advice in discharging their duties.

Board and Senior Management Roles

A well-defined division of responsibilities between the Board and senior management ensures a balance between strategic leadership and executive oversight. While the Board establishes the Group's strategic direction and policy frameworks, it delegates authority to senior management for the day-to-day operations within clearly defined limits of authority. The Board retains ultimate responsibility for oversight, ensuring that the Group remains aligned with its objectives.

To reinforce independent decision-making, the positions of Chairman and Chief Executive Officer (CEO) are held by different individuals. Their distinct roles and responsibilities are defined in the Board Charter.

The Chairman provides leadership to the Board, ensuring its smooth and effective functioning. He presides over Board and general meetings, overseeing procedural compliance and formally recording all decisions.

The CEO oversees the Group's business operations and implements Board policies and strategies. He leads strategic business development, high-impact investments, and talent succession planning. His role also involves fostering a strong corporate culture that enhances the Group's strategic advantage.

Board Committees for Enhanced Oversight

To strengthen its governance oversight, the Board has established the following Board Committees, each with its own Terms of Reference outlining functions, responsibilities and authority:

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

These Committees operate independently and provide recommendations to the Board. However, the Board retains full responsibility for the Group's strategic direction and decision-making.

Commitment to Integrity and Ethical Values

The Board places strong emphasis on integrity and ethical conduct across the Group. Various departments undergo risk assessments related to corruption and unethical practices, with strict controls in place to mitigate, prevent and address potential risks.

To reinforce ethical standards, Capital A has implemented the following key policies, which are publicly available on its corporate website (www.capitala.com):

- Code of Conduct & Ethics
- Anti-Corruption and Anti-Bribery Policy
- Whistleblowing Policy
- Fit and Proper Policy

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Meetings and Calendar

An annual calendar for Board and Board Committee meetings is circulated before the financial year end, allowing Directors to plan their schedules effectively. This calendar also outlines closed periods for securities dealings by Directors, based on the anticipated dates of quarterly results announcements.

The Board convenes at least once every quarter, with additional meetings scheduled for major or urgent matters. Board Committee meetings are conducted separately, with Committee Chairpersons reporting their discussions and recommendations to the Board. While Committees provide focused oversight, ultimate decision-making authority remains with the Board. No single individual dominates the Board, and the Directors are free to express their views and opinions during Board meetings. In making decisions, the Board consistently upholds the majority view.

Board and Committee Meeting Attendance (FYE 2025)

The following table presents the attendance of Directors at Board and Committee meetings during FYE 2025:

Director	Board	Audit Committee	Nomination and Remuneration Committee	Risk Management and Sustainability Committee	Safety Review Board
Datuk Kamarudin Bin Meranun	12/13				
Tan Sri Anthony Francis Fernandes	10/13				
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar	13/13	9/9	7/7	5/5	
Dato' Fam Lee Ee	13/13	9/9	7/7		4/4
Dato' Mohamed Khadar Bin Merican	13/13	9/9		5/5	4/4
Brig Gen Dato' Fadzillah Binti Abdullah (R)	13/13		7/7	5/5	

Chairman Non-member

During FYE 2025, the Board met thirteen (13) times inclusive of special Board meetings. The Directors complied with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) in relation to meeting attendance. The Board is satisfied with the level of commitment demonstrated by its members towards fulfilling their duties and responsibilities. The Committees will continue to assist the Board of Capital A in discharging its duties.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION

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

The composition of the Board fulfils the MMLR of Bursa Malaysia which requires at least two (2) Directors or one-third (1/3) of the Board members, whichever is higher, to be Independent Directors; and at least one (1) female Director on the Board. As at the financial year end, the Board of the Company consisted of six (6) members with Independent Directors representing 50% of the total number.

In the event of any vacancy on the Board of Directors resulting in non-compliance in its composition, the Board is required to fill the vacancy within three (3) months.

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

Capital A has implemented a robust and transparent framework for the nomination and election of Directors, spearheaded by the Nomination and Remuneration Committee (NRC). The NRC plays a critical role in evaluating the performance of the Board and its Committees, and in providing recommendations on nomination policies, succession planning, talent management strategies, Directors' and senior management training programmes, and other relevant matters.

In line with the Company's strategic direction and values, the NRC assesses potential Board candidates based on a range of criteria, including leadership capabilities, gender diversity, digital knowledge, entrepreneurial mindset, and relevant knowledge and experience essential to Capital A. The Company strongly supports Board diversity, recognising the value it brings to decision-making and governance effectiveness.

Consistent with Capital A's Board Diversity Policy, candidate selection is contingent on the availability of individuals who possess the appropriate mix of skills, expertise and experience. The NRC undertakes a thorough review of each nominee's credentials and conducts interviews with shortlisted candidates to ensure suitability and the necessary calibre before making any recommendations to the Board for approval.

Capital A's Board reflects a rich diversity of skills, regional and industry experience, backgrounds, ethnicities, age groups and other personal attributes, enabling the Board to draw from a wide range of perspectives in its deliberations.

Reinforcing its commitment to high standards of governance, the Board has adopted a Directors' Fit and Proper Policy. This policy outlines the criteria for the appointment and re-appointment of Directors across the Group, serving as a reference for the NRC and the Board in evaluating new candidates and reviewing Directors seeking re-election. The policy is publicly accessible on the Company's website at www.capitala.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Effectiveness Assessment

During the year under review, the NRC led the annual Board Effectiveness Evaluation, which included assessments of:

The performance of the Board as a whole	The effectiveness of each Board Committee	The contributions of individual Directors	The term of office and performance of the Audit Committee and its members

Following the assessment, the NRC reviewed the results and proposed enhancements for the Board's consideration and approval. Each Director provided input on the Board's composition and diversity, the quality of information provided, decision-making processes, the dynamics of Boardroom discussions, engagement with Management, and the Company's approach to environmental, social and governance (ESG) matters.

The NRC concluded that the composition of the Board and its Committees remains appropriate and continues to support effective decision-making. Board meetings were conducted efficiently, and all Directors demonstrated diligence and effectiveness in the execution of their duties.

In addition, the NRC carried out an independence assessment of the Independent Non-Executive Directors based on a self-assessment process. It was determined that all Independent Directors met the independence criteria prescribed under the MMLR of Bursa Malaysia and continue to discharge their roles with independence and objectivity.

For FYE 2025, Capital A was considered a "Large Company" as defined under the MCCG. The Board undertakes an externally facilitated evaluation of its own performance, its Committees and individual Directors in compliance with Practice 6.1 of the MCCG which recommends that Large Companies engage an independent expert at least every three (3) years to facilitate an objective and candid board evaluation.

Axcelasia ESG Sdn. Bhd. had been appointed to conduct the independent Board Effectiveness Evaluation (BEE) for FYE 2025. The exercise assessed the overall performance of the Board, Board Committees and individual Directors, taking into consideration both self-assessments and peer reviews. A detailed report on the effectiveness of the Board and Board Committees for FYE 2025 was subsequently presented to the NRC in March 2026.

During FYE 2025, the NRC reviewed and recommended to the Board the annual re-election of Directors who are retiring pursuant to the Company's Constitution for shareholders' approval at the Annual General Meeting of the Company.

The Constitution of Capital A provides that at least one-third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting (AGM) of the Company. Each Director must retire from office once every three (3) years and is eligible to offer him/herself for re-election or re-appointment. The Constitution of Capital A also provides that a Director who is appointed during the year will be subject to re-election at the next AGM following his/her appointment.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

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

During FYE 2025, the Directors attended and participated in training programmes, conferences and seminars covering corporate governance, finance, global business developments and relevant industry updates, enhancing their ability to discharge their duties effectively.

As of the date of this Statement, all the Directors have attended the Mandatory Accreditation Programme (MAP) Part I and Part II. Details of training programmes, conferences and seminars attended by the Directors during the financial year are outlined below:

Name	Programmes
Datuk Kamarudin Bin Meranun	▪ Cyber Resilience Training by Phished Academy on 29 August 2025 ▪ The 7th IMBRICS Forum on 20 and 21 December 2025 ▪ Luncur Barakah Tea Talk on 4 December 2025
Tan Sri Anthony Francis Fernandes	▪ World Economic Forum 2024 on 20-24 January 2025 ▪ Indonesia Economic Summit on 19 February 2025 ▪ Milken CEO Breakfast Roundtable on 24 March 2025 ▪ UBS Asian Investment Conference on 28 May 2025 ▪ Mandatory Accreditation Programme Part II on 17 July 2025 ▪ Belt & Road Summit on 10 September 2025 ▪ Asia Business Council Autumn Forum on 11-12 September 2025 ▪ Vertical Capital Markets Day on 18 September 2025 ▪ Skift Global Forum, New York on 18 September 2025 ▪ World Travel Tourism Council (WTTC) Global Summit on 28-30 September 2025 ▪ Khazanah MegaTrends Forum 2025 on 6 October 2025 ▪ Forbes Global CEO Conference on 15 October 2025 ▪ ASEAN Business and Investment Summit (ABIS) on 25-27 October 2025 ▪ Board Sustainability Briefing on 23 September 2025 ▪ 3rd Gateway Gulf 2025 Investment Forum on 2-4 November 2025 ▪ Blue Pool Family Summit on 6 November 2025
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar	▪ AI in Marketing Conference on 2-3 October 2025

Name	Programmes
Dato' Fam Lee Ee	▪ 2025 Tencent Cloud City Summit on 16 May 2025 ▪ China (Jiangsu) – Malaysia Economic & Trade Cooperation Conference on 20 May 2025 ▪ 2025 Tencent Cloud AI Summit on 21 May 2025 ▪ Global Outstanding Confucian Entrepreneurs Forum on 31 May 2025 ▪ ASEAN-China Economic Forum & 3rd China International Supply Chain Promotion on 26 May 2025 ▪ World Economic Forum on 24-26 June 2025 ▪ China (Xinjiang)–Malaysia Economic & Trade Exchange Conference on 19 August 2025 ▪ 2025 COMAC Customer Conference on 9 September 2025 ▪ Visit to Brain Co – China's first brain–computer interface (BCI) industry unicorn on 18 September 2025 ▪ Tencent Global Digital Ecosystem Summit – "Aspiring Intelligence" – on 16-17 September 2025 ▪ Panel Discussion on Johor–Singapore Special & Economic Zone (SEZ) on 23 September 2025 ▪ Single Family Office Scheme in Malaysia on 23 September 2025 ▪ Sustainability Briefing on 23 September ▪ The Economic Impact of Trump 2.0 on Southeast Asia on 25 September 2025 ▪ Guest of Honour at UTAR's 41st Convocation on 22 October 2025 ▪ ASEAN Business & Investment Summit 2025 on 25-26 October 2025 ▪ Dubai AirShow on 17-18 November 2025 ▪ Keynote Speaker at HROOT Best Employer Awards Gala Dinner on 12 December 2025 ▪ 11th Global Tourism Economy Forum on 15-17 December 2025
Dato' Mohamed Khadar Bin Merican	▪ IFRS Sustainability Disclosure Standards: IFRS S1 & S2 on 8 January 2025 ▪ ESG training and e-invoice briefing on 13 March 2025 ▪ US Tariff Hike and its Impact on Businesses in Asia-Pacific on 6 May 2025 ▪ Banking, Investment and Insurance badge from the Cambridge Institute of Sustainability Leadership on 12 May 2025 ▪ Islamic Finance Training on 11 August 2025 ▪ APAC Directors Cybersecurity Training on 23 October 2025 ▪ Sustainability Training on 18 December 2025
Brig Gen Dato' Fadzillah Binti Abdullah (R)	▪ Mandatory Accreditation Programme (MAP) on 20-21 January 2025 ▪ Mandatory Accreditation Programme Part II: Leading for Impact (LIP) on 10-13 March 2025

3. REMUNERATION

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

During FYE 2025, the NRC reviewed the remuneration and benefits of the Non-Executive Directors taking into consideration the benchmark of peer markets, subsequently reporting its findings to the Board of Directors.

The aggregate remuneration of the Directors (both the Company and the Group) for the financial year is set out below:

Company

	RM					
Director	Fees	Other Fees	Salaries	Other emoluments	Meetings, travelling and other allowances~	Total
Datuk Kamarudin Bin Meranun	-	-	10,210,843	1,225,305	-	11,436,148
Tan Sri Anthony Francis Fernandes	-	-	7,542,320	43,357,401	-	50,899,721
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar	290,000^	***66,014 **46,014 *75,000	-	-	83,000	560,028
Dato' Fam Lee Ee	290,000^	**66,014 *75,000 *^66,014	-	-	80,000	577,028
Dato' Mohamed Khadar Bin Merican	290,000^	*110,000 *^46,014 ***46.014	-	-	77,000	569,028
Brig Gen Dato' Fadzillah Binti Abdullah (R)	290,000^	**46,014 ***46,914	-	-	60,000	442,028

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Group

Director	RM					
	Fees	Other Fees	Salaries	Other emoluments	Meetings, travelling and other allowances~	Total
Datuk Kamarudin Bin Meranun	-	-	11,410,843	41,129,305	-	52,540,148
Tan Sri Anthony Francis Fernandes	-	-	11,142,320	43,789,401	-	54,931,721
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar	290,000^	***66,014 **46,014 *75,000	-	-	83,000	560,028
Dato' Fam Lee Ee	290,000^	**66,014 *75,000 *^66,014	-	-	80,000	577,028
Dato' Mohamed Khadar Bin Merican	290,000^	*110,000 *^46,014 ***46,014	-	-	77,000	569,028
Brig Gen Dato' Fadzillah Binti Abdullah (R)	290,000^	**46,014 ***46,914	-	-	60,000	442,028

^ *Basic Board fee of RM290,000 each per annum approved at the Eighth AGM*
* *AC fee of RM110,000 and RM75,000 per annum for chairman and committee members as approved at the Eighth AGM*
** *From 14 June to 31 December 2025 pro-rated based on the NRC fee of RM75,000 and RM55,000 per annum for chairman and committee members as approved at the Eighth AGM*
*** *From 14 June to 31 December 2025 pro-rated based on the RMSC fee of RM75,000 and RM55,000 per annum for chairman and committee members as approved at the Eighth AGM*
*^ *From 14 June to 31 December 2025 pro-rated based on the Safety Review Board (SRB) fee of RM75,000 and RM55,000 per annum for chairman and committee members as approved at the Eighth AGM*
~ *From 14 June to 31 December 2025, the meeting allowance was RM3,000 per meeting as approved at the Eighth AGM*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE

The Audit Committee (AC) comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC comprises members from diverse backgrounds with a wide range of qualifications, skills and experience necessary to discharge their duties.

The AC is chaired by Dato' Khadar bin Merican, who is an Independent Non-Executive Director of the Company. He possesses hands-on expertise in audit, finance, corporate advisory, risk management and regulatory compliance. The other AC members bring a wealth of experience in international trade, corporate governance, risk and internal control, and business transformation. All members are financially literate and have a strong understanding of the business.

The Chairman of the AC is not the Chairman of the Board.

The Company has a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before qualifying for appointment to the AC. None of the current members of the AC is a former key audit partner of the Group's auditors.

An assessment of the AC is carried out annually by the NRC, and the re-appointment of the term as Committee Members was recommended to the Board for approval.

Audit Committee meetings are held five (5) times a year, or more frequently if deemed appropriate. The AC also conducts two (2) private sessions with the External Auditors, without the presence of the Executive Management during the financial year.

The AC actively engages with Management to satisfy themselves on the soundness of internal control systems and that disclosures in the financial statements are made in accordance with the applicable accounting standards.

Related party transactions are reviewed by the Audit Committee and are tabled to the Board upon their recommendation.

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

2. Risk Management and Internal Control Framework

The Board has established a Risk Management and Sustainability Committee (RMSC) to oversee the Risk Management Framework, policies and sustainability initiatives of the Group. As at FYE 2025, the RMSC of the Company comprises three (3) Non-Executive Directors, a majority of whom are Independent Directors. It is chaired by Dato' Abdel Aziz @ Abdul Aziz bin Abu Bakar, who is a Non-Independent Non-Executive Director of the Company.

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

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

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

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

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

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

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

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

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

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

2. Conduct of General Meetings

The general meeting serves as the principal forum for interaction among shareholders, the Directors and Management. It provides an opportunity for shareholders to seek clarification on any queries they may have and to better understand the Group's performance, financial position and other matters of concern. Pursuant to the Constitution, each member is entitled to be present and to vote at the general meeting either personally or by proxy or, if the member is a corporation, by its duly authorised representative. Shareholders are encouraged to attend and vote on all resolutions.

Directors, the Chief Financial Officer, Management team and the external auditors are also available to respond to shareholders' queries during the meeting. All Directors of the Company attended the AGM and Extraordinary General Meeting in 2025. Minutes of the meetings were subsequently published on the website.

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

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

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

The Directors are satisfied that, in preparing the financial statements of the Group for FYE 2025, the Group has adopted approved applicable accounting standards in Malaysia and complied with the provisions of the Companies Act, 2016.

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

This CG Overview Statement was approved by the Board of Directors of Capital A on 15 April 2026.

AUDIT COMMITTEE REPORT

This report outlines the activities of the Audit Committee (AC or the Committee) of Capital A Berhad (Capital A) for the financial year ended 31 December 2025 (Financial Year).

This report has been reviewed by the AC and approved by the Board of Directors (Board) of Capital A on 15 April 2026, for inclusion in this Annual Report.

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

COMPOSITION OF THE AUDIT COMMITTEE

The AC, established by the Board, comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Members of the AC elect among themselves an Independent Director, who is not Chairman of the Board of Capital A, as the Chairman of the AC. The Terms of Reference of the AC are approved by the Board and adhere to the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), the Malaysian Code on Corporate Governance (MCCG) issued by Securities Commission Malaysia, the Corporate Governance Guide issued by Bursa Malaysia and guided by the AC Charter model issued by the Institute of Internal Auditors (IIA).

The composition of the AC complies with the requirements of paragraph 15.09(1)(c) of the MMLR and is set out in Capital A's Corporate Governance Overview Statement (CGOS) on page 129 of this Annual Report. Members of the AC are subject to annual evaluations and the Committee's composition is reviewed annually by the Board.

TRAINING

A summary of training programmes attended by members of the AC during the Financial Year is set out in the CGOS on pages 124 to 126 of this Annual Report.

ATTENDANCE OF MEETINGS

A total of nine (9) meetings were held during the Financial Year, attendance for which is set out in the CGOS on pages 121 to 122 of this Annual Report. The AC meets on a scheduled basis during a Financial Year and as and when required. The AC is assisted by an independent GIAD in carrying out its functions.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Investment Officer, Chief Legal Officer (CLO), Head of Group Internal Audit of Capital A and any other officer or employee are invited to attend AC's meetings to assist the Committee in its deliberations as and when necessary.

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE

The AC is guided by its Terms of Reference in discharging its duties and responsibilities. Its Terms of Reference, approved by the Board, are available on the Group's corporate website at https://www.capitala.com/misc/Terms_of_Reference-CapitalA_Audit_Committee_(25_Feb_2026).pdf

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

Internal Audit

- Mandated the GIAD to report directly to the AC.
- Reviewed the adequacy and approved the Internal Audit Charter (IAC), which defines the purpose, mandate, scope and responsibility of the Internal Audit function within the Group.
- Reviewed and approved the Internal Audit Plan, processes, budget, competency and resources of the GIAD, ensuring it had the necessary independence and authority to carry out its work professionally and with impartiality and proficiency.
- Reviewed Internal Audit Reports of the Group, ensuring appropriate and prompt remedial actions by the Management on lapses in controls or procedures identified by the GIAD.
- Reviewed the performance of the GIAD, including the internal assessment of the Internal Audit function.
- Undertook the performance appraisal of the Head of Group Internal Audit.
- Approved the appointment or termination of GIAD's senior staff.
- Noted the resignations of GIAD staff, together with the reasons for their resignations.
- Reviewed reports on ad hoc investigations performed by the GIAD and ensured that appropriate actions were taken in relation to those investigations.

External Audit

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

Financial Reporting and Bursa Malaysia Announcements

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

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

Related Party Transactions and Conflicts of Interest (COI)

- Reviewed related party transactions and conflicts of interest that arose, persisted or that could arise within the Group including measures taken to resolve, eliminate or mitigate such conflicts; and ensured such transactions were undertaken on an arm's length basis in the best interest of the Group and Capital A and where appropriate recommended to the Board for approval.
- Reviewed the process used to procure shareholders' mandate for recurrent related party transactions.
- During the Financial Year, there were no reported instances of COI or potential COI (excluding related party transactions) among Directors and key Senior Management.

Investigations

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

Internal Controls

- By way of discussions with key Senior Management and through the review of the process undertaken by the GIAD and the External Auditors, evaluated the overall adequacy and effectiveness of:
  - the system of internal controls, including controls within information technology (IT);
  - the Group's finance, accounting and audit organisations and personnel; and
  - the Group's policies and compliance procedures with respect to business practices.
- Reviewed the Employee Code of Business Practice, Vendor Code of Business Practice, the Whistleblowing Policy, as well as the outcome of any cases investigated.

Annual Report

- Further information on the AC's activities in discharging its functions and duties for the Financial Year and how it has met its responsibilities are provided in the Corporate Governance (CG) Report in accordance with Practice 11.1 and Guidance 1.1 of the MCCG.
- The AC reviewed the Statement on Risk Management and Internal Control and the CGOS prior to their inclusion in the Group's Annual Report.

Annual Review of the Terms of Reference of the Audit Committee

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

INTERNAL AUDIT FUNCTION

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

The GIAD is guided by the IA Charter, which provides independence and reflects the roles, responsibilities, accountability and scope of work of the department. The IA Charter is aligned with the mandatory elements of the International Professional Practice Framework (IPPF), ie the Global Internal Audit Standards (Standards) and Topical Requirements and is guided by the Institute of Internal Auditors' Global Guidance on Internal Auditing. The Head of Group Internal Audit reports functionally to the AC and administratively to the CFO of the Group.

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

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

On 9 March 2026, GIAD confirmed its organisational independence to the AC, with the Head of Group Internal Audit and all internal auditors completed the Annual Code of Ethics and Conflict of Interest Declaration for the Financial Year via Google Form indicating they were and had been independent, objective and in compliance with the Code of Ethics and Conflict of Interest as per IPPF in carrying out their duties for the Financial Year.

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

The total costs incurred by GIAD in discharging its functions and responsibilities during the Financial Year amounted to RM4,026,392 compared to RM3,277,752 in the Financial Year ended 31 December 2024.

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

INTERNAL AUDIT ACTIVITIES DURING THE FINANCIAL YEAR

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

The GIAD remains committed to equipping our internal auditors with adequate knowledge and proficiency. About RM41,522 was spent on training in the areas of auditing skills, technical skills and personal development via inhouse, online and external training during the Financial Year. Each staff attended on average six (6) training days for the year.

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

During the Financial Year, audit reviews were conducted based on the Internal Audit Plan approved by the AC. The GIAD and respective IADs in other AOCs and subsidiaries completed and reported on 128 audit assignments, including ad hoc requests by the Board, AC or Senior Management and those which arose from reports pursuant to the Group's Whistleblowing Policy. The audits covered a wide range of areas, including validation of selected Material Sustainability Matters' Disclosure, revenue process, inflight operations and inventory management, hotels management for Move platform, overtime process and accuracy, China eCommerce platform Weshop, sales and distribution, engineering maintenance and aircraft part inventory management, accuracy of overflight charges, duty travel for non-staff, office furniture disposal process, the vendor payment process, guest services, ramp and ground support equipment, cabin crew, marketing, the loyalty programme, e-hailing business, logistics and cargo operations, IT software development and lifecycle, ancillary business, fuel management, contract management, finance and accounting, commercial and branding. They also encompass key systems such as the Warehouse Management System (WMS) and ePos for inflight meals, booking reservation system (Navitaire), aircraft parts trading platform (AEROTRADE®), flight plan applications, cloud computing, IT and cybersecurity management.

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

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

GIAD Digitalisation and Data Initiatives

GIAD embraces digitalisation in line with the Group strategy to drive continuous improvement through automation. Dashboards for the contract management cycle and invoice-to-payment cycle were developed to complete Purchase to Pay (P2P) activities within the Group. GIAD also introduced the usage of data analytics on engagements to increase assurance levels and enhance the efficiency of the audit process.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

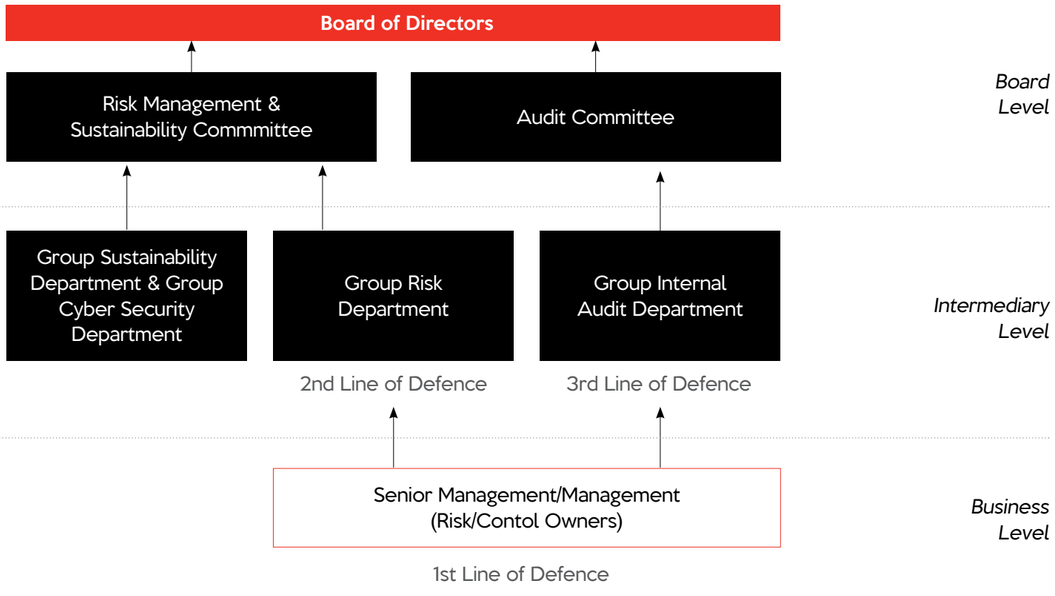
STATEMENT OBJECTIVE

As part of our commitment to strengthen governance, transparency and stakeholder confidence, Capital A Berhad and its subsidiaries (the Group) have established sound risk management and internal control systems. The Board of Directors (the Board) of Capital A Berhad, guided by the requirements outlined in Paragraph 15.26 (b) of the Main Market Listing Requirements (MMLR) by Bursa Malaysia Securities Berhad (Bursa Malaysia), the Malaysian Code on Corporate Governance by the Securities Commission Malaysia and the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Companies (SORMIC Guide 2025), is pleased to issue this Statement on Risk Management and Internal Control (SORMIC) for the financial year ended 31 December 2025 and up to the date of approval on this Statement for inclusion in the Company's Annual Report. This statement outlines the nature and scope of the Group's internal controls and risk management framework.

GOVERNANCE

A proper governance structure has been established within the Group, where responsibilities are clearly defined across all levels, structures and functions to promote accountability and contribute towards effective risk management and internal control systems.

To promote a good corporate governance culture, the Board of Directors is primarily assisted by two Board Committees, namely, the Risk Management and Sustainability Committee (the RMSC) and the Audit Committee. These Committees, in turn, are supported by the Group Risk Department, the Group Sustainability Department, the Group Cyber Security Department and the Group Internal Audit Department, which serve as intermediaries between the Board of Directors and the Senior Management/Management (Risk/Control Owners). This is summarised in Figure 1 below:



BOARD OF DIRECTORS (BOARD)

The Board has the overall responsibility for ensuring a sound framework of risk management and internal control is in place to safeguard the interest of stakeholders and the Group's assets, as well as reviewing the adequacy and operating effectiveness of these systems in meeting the Group's business objectives.

The Board is mindful of the need to establish clear roles and responsibilities in discharging its fiduciary and oversight functions in line with the Principles, Practices and Guidance of the Malaysian Code on Corporate Governance (MCCG).

The Board is conscious that risk management and internal control systems are designed to manage risks and provide reasonable but not absolute assurance against the occurrence of unforeseeable circumstances or losses.

Risk Management and Sustainability Committee (RMSC)

The RMSC supports the Board in providing oversight on areas related to risk management of the Group, which encompass enterprise risk management, business continuity management, integrity and compliance, information security and sustainability. In fulfilling its responsibilities, the RMSC ensures that appropriate policies, strategies, frameworks and systems are in place. For this purpose, the RMSC is mainly assisted by the Group Risk Department, the Group Information Security Department and the Group Sustainability Department. The responsibilities of the RMSC are set out in its Terms of Reference (TOR) which are available on Capital A Berhad's corporate website.

In line with the MCCG, the RMSC comprises three (3) Non-Executive Directors, with a majority of Independent Directors.

Audit Committee (AC)

The AC provides support to the Board through its oversight on areas related to audit and investigation, financial reporting, annual disclosures and related party transactions. For this, the AC monitors the adequacy and effectiveness of the internal control systems through reviews of work performed by the Group Internal Audit Department and the external auditors, as well as discussions with Senior Management. Details of the responsibilities of the AC are set out in its TOR which are available on Capital A Berhad's corporate website.

In line with Bursa Malaysia's MMLR, the AC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Further, the Chairman of the AC is not the Chairman of the Board. The AC Report is disclosed on pages 131 to 135 of this Annual Report.

Senior Management/Management (Risk/Control Owners)

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

Group Risk Department

The Group Risk Department is responsible for Enterprise Risk Management (ERM), Business Continuity Management (BCM) and Integrity and Compliance (I&C) functions. From the ERM perspective, the Group Risk Department develops risk policies, provides guidance on risk-related matters, coordinates risk management activities with other departments, as well as monitors and reports the Group's risks.

From the BCM perspective, the Group Risk Department plays a critical role in ensuring the Group's resilience against disruptions. It establishes comprehensive policies and frameworks that guide business continuity planning across key functions. Through rigorous scenario-based simulations and stress tests, the Group Risk Department collaborates with business units to assess vulnerabilities, enhance preparedness and validate response strategies. This proactive approach ensures that essential operations can be sustained or swiftly restored during a crisis, minimising downtime and safeguarding business continuity under critical situations.

From the I&C perspective, the Group Risk Department monitors key regulatory compliances for the Group and oversees the anti-bribery and anti-corruption programmes within the Group, through the development of policy and guidance, advisory, review and corruption risk assessment on such matters.

Group Sustainability Department

The Group Sustainability Department spearheads sustainability efforts through the Group's sustainability strategies and initiatives. Their tasks include identifying key sustainability risks and opportunities, implementation of sustainability initiatives, stakeholder engagement and sustainability reporting.

In addition, a Sustainability Working Group (SWG) comprising representatives from different entities and business units within the Group, has been established to keep abreast with relevant regulatory trends, adhere to the latest sustainability regulations and manage associated sustainability challenges and risks.

The Group Sustainability Department ensures respective policies and procedures are applied to embed sustainability across Group-wide functions via its Sustainability Framework and standard operating procedures.

Further details can be found in the Capital A Sustainability Report for the Financial Year 2025.

Group Cyber Security Department

The Group Cyber Security Department is dedicated to safeguarding the organisation's digital landscape by fostering resilience and ensuring stringent compliance across all operational jurisdictions. The Group maintains ISO/IEC 27001 and PCI DSS certifications, which support the governance and operation of information security controls across relevant environments. The Cyber Security Department collaborates closely with Senior Management and the Board to ensure alignment with business objectives and embeds cyber risk considerations into all investment and operational decisions.

Group Internal Audit Department

The Group Internal Audit Department (GIAD) evaluates the adequacy and effectiveness of the governance, risk management and internal control processes implemented by Management. GIAD adopts a risk-based approach in determining the auditable areas and frequency of audits within the Group.

In addition, the GIAD manages the Group's whistleblowing channel, ensuring that all reported concerns are received, assessed and escalated appropriately.

The GIAD's functions are disclosed in the AC Report on page 134 of this Annual Report and the Corporate Governance Report.

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

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

The ERM framework covers the following key features:

Roles and responsibilities of the RMSC, Management, Group Risk Department and all employees	**ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK**	Guidance on risk management processes and tools

The Risk Management process depicted in the diagram below is aligned with ISO 31000:2018 Risk Management - Guidelines.



1) Risk Identification – This process involves detection of existing and emerging risks in areas such as finance, operations, regulatory compliance, reputation, cybersecurity and sustainability, that can affect the business objectives and initiatives. Proactive risk identification is deployed to detect risks early and formulate risk mitigation strategies and action plans to better manage risks and minimise their potential impact. In addition, a root cause analysis is performed, in order to develop adequate risk controls.
2) Risk Assessment – This process involves rating the risks as "Very High", "High", "Medium", or "Low", based on likelihood and impact. A quarterly review is performed by the businesses along with the Group Risk Department to measure the aggregate exposure to the risk and the potential impact of this exposure.
3) Risk Control – This process involves developing mitigation controls for risks identified, based on root cause analysis. These controls are assessed in terms of effectiveness and the acceptable residual risk is determined. Additional controls may be proposed in the event risks are not mitigated adequately.

4) Risk Monitoring – Continuous monitoring of risks, especially key risks, are undertaken on a continuous basis to drive real-time actions and determine their relevance in the present environment. Apart from risk mitigation controls, risk indicators are monitored for key risks to ensure sufficient and timely actions are taken.

5) Risk Reporting – The risk profiles are discussed with Management and subsequently tabled to the RMSC on a quarterly basis for deliberation. Operational risks, in particular safety risks, are monitored by the Safety Review Board (SRB) with assistance from the Group Safety Department. For the Financial Year Ended 31 December 2025, four (4) RMSC and SRB meetings were held to discuss risk management, safety and other matters.

KEY RISKS AND MITIGATION

The Board and Management of Capital A recognise that any major risk exposure inherent in its operating environment and business activities could significantly impede the achievements of the Group's business and corporate objectives and would adversely affect the Group's ability to create and protect value. During the financial year under review, the Group's activities were exposed to the following key risks:

RISK	MITIGATION
A. STRATEGIC	
1. Adverse Climate Change	
The Group is potentially exposed to operational disruptions due to adverse climate events as well as managing changing customer expectations and perception towards sustainability.	The Group has developed a Sustainability Roadmap in order to implement initiatives that reduce carbon footprint, minimise waste and innovate to raise the bar.
B. OPERATIONAL	
1. Cybersecurity Threat	
There is an inherent potential risk of cyber attacks and incidents resulting from the increased complexity of the threat landscape (including AI-driven cyber attacks) and the expanding digital footprint of the Group.	Beyond maintaining the core Cyber Security Certifications (including ISO27001 and PCI DSS), the Group has active cyber defense mechanisms to proactively track cyber threat campaigns, closely monitor internal digital activities and block any suspicious or malicious cyber activities. To secure the application ecosystem, the organisation adopts a "Security by Design" philosophy, integrating penetration testing, source code reviews, data security and least privilege access management throughout the entire software development lifecycle.
2. System Outage	
Outages of mission critical systems which are required for the continuity of operations.	The Group mitigates this risk by developing, implementing and testing specific backup and failover systems to reduce the impact of system outages. The Group has in place alternative sites that exist in different geographical locations in the event these mission critical systems fail at any one location. A business continuity plan, along with the relevant emergency response plans, are established and reviewed periodically.
3. Safety Threat	
There is an inherent potential risk of safety, particularly within the Group's aviation business segment. Any significant safety incident or breach may be detrimental to the Group's operations.	The Group Safety Department proactively and systematically identifies threats and hazards using the Safety Management System (SMS). The identified threats and hazards are mitigated to the lowest feasible level striking a balance between safety benefits gained and the cost of further risk reduction. The Group Safety Department facilitates this enterprise-wide effort of safety risk management by establishing and maintaining the required standards for continuous assessment of all key operational risks. The SRB oversees compliance with safety and quality standards, ensuring that safety targets are met by the Management.
C. FINANCIAL	
1. Tight Cash Flow Position	
Although the Group recorded an upward trend in revenue from both the aviation and non-aviation segments in 2025, a tight cash flow position persisted, driven by cash commitments necessary for the recovery of the airline's fleet and growth of the non-aviation businesses. Additionally, the PN17 status posed a challenge to the Group's ability to secure external funding.	To mitigate this risk, the Group undertook strategic divestment to unlock liquidity. In addition, the Group deployed prudent financial policies and continuous review of operations to improve efficiency. Securing external funds for aviation and non-aviation businesses, establishing strategic collaborations and creating commercial synergy within the ecosystem are among other measures initiated to improve cash flow.
D. COMPLIANCE	
1. Non-Compliance with Regulatory Requirements	
The Group operates in a highly regulated industry. There is an increasing emphasis by regulatory bodies (including but not limited to Bursa Malaysia, Civil Aviation Authority of Malaysia, Malaysian Aviation Commission, etc.) and financial institutions to adhere to various compliance and reporting standards. Any failure to comply with such conditions, laws or regulations may lead to fines, penalties and also operational disruptions.	The Group keeps abreast of the latest changes in regulatory requirements by constant engagement with the authorities and stakeholders to gain forefront knowledge. Changes to regulatory requirements, where relevant, are then incorporated into policies/ standard operating procedures and communicated to all stakeholders on a timely basis. This includes employees attending regular training on regulatory matters. Further, the Compliance Unit (within the Group Risk Department) maintains a master compliance repository to monitor key compliance requirements and any lapses therein.

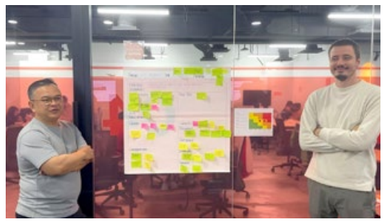
SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR

During the Financial Year Ended 31 December 2025, the Group Risk Department continued building a strong risk culture via continuous engagements and workshops. The Group Risk Department refreshed training materials and delivered a Design Thinking infused risk awareness workshop to the Group's Senior Management and Allstars, strengthening risk understanding through an interactive approach.

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

To strengthen business resilience, the Group Risk Department played a pivotal role in equipping the Crisis Management Teams with the necessary strategies and frameworks to effectively navigate disruptions. Comprehensive business continuity exercises were conducted across critical systems, functions and key operational sites, ensuring the Group's preparedness for unforeseen crises. These initiatives aimed to minimise operational disruptions and enhance the Group's agility in responding to potential threats, reinforcing the Group's commitment to operational continuity and resilience.

The Integrity and Compliance Unit reinforced the Group's anti-corruption awareness and commitment to integrity by expanding initiatives such as annual digital learning and attestation. Aside from workshops and programmes rolled out in Indonesia, Philippines, Thailand and Malaysia, 2025 was completed with the Group's 2nd International Anti-Corruption Day, in collaboration with several external parties, including MACC. The highlight of the event was the launch of the slogan "United Against Corruption" and the Anti-Corruption Pledge ceremony witnessed by the Director of Community Education Division of MACC, Datuk Ahmad Nizam bin Ismail. This was followed by the signing of the Pledge by the CEO, Tan Sri Tony Fernandes, Executive Chairman of Capital A Berhad, Datuk Kamarudin bin Meranun, as well as the Chairman of AirAsia X Berhad, Dato' Fam Lee Ee. Further details on these initiatives in relation to ABAC are highlighted from pages 21 to 24 of the Sustainability Report.







INTERNAL CONTROL

The key internal control structures in place to assist the Board in maintaining a proper system of internal control include:

Delegated Board Committees

The Board has established four (4) Committees, namely the AC, RMSC, Nomination and Remuneration Committee (NRC) and SRB to assist it in executing its governance responsibilities. Further information on the various Committees of the Board is provided in the Corporate Governance Overview Statement from pages 129 to 130 of this Annual Report.

Senior Management/Management

Senior Management/Management team sets and implements business strategies while ensuring they are sufficiently supported with controls and monitoring through regular meetings across all levels and lines of business.

Authorisation Limits

To preserve the segregation of duties and as a safeguard against excessive risk-taking, authorisation limits are in place across levels of Management, with clear delineation between the Management and the Board. The Board adopts a collective decision-making process for matters reserved for its approval.

Policies and Procedures

Internal policies and procedures are critical control points in ensuring consistency in quality and delivery of work and services by employees across the Group, in conformance to industry standards. For this purpose, processes are sufficiently documented through the policies and procedures and are periodically reviewed and readily made available to employees across the Group.

Information and Data Systems

While leveraging systems to increase business efficiency and as a means of automating controls for enhanced risk mitigation, the Group has established information security and data privacy policies, frameworks and guidelines towards preserving the confidentiality, integrity and availability of information.

Budgeting and Financial Management

The Group has in place an established budgeting process and closely tracks its actual performance against the approved budgets. The outcomes of these processes are reported at Senior Management and Board levels to facilitate their respective oversight. Significant variances are assessed further and are supported with action plans by the Management.

Insurance

The Group maintains adequate insurance and physical safeguards on assets to ensure these are sufficiently covered against any incident that could result in material losses.

Group Safety

The Group Safety Department provides guidance to ensure risks of aviation and operational activities are well controlled. Regular health and safety audits are undertaken to ensure compliance with Occupational Safety and Health Administration, IATA Operational Safety Audit, Civil Aviation Authority of Malaysia and other relevant standards.

Human Resources

Documented processes are in place under the purview of the People Department to guide end-to-end employee management that covers recruitment, hiring, appointment, performance measurement, compensation and reward, as well as disciplinary mechanisms that could lead up to dismissal or termination, subject to the applicable local laws and regulations.

Code of Conduct

The Code of Conduct is in place for reference by employees across the Group to guide them in their conduct in accordance with the corporate values, policies and procedures. Through the same Code, employees are also made aware of the disciplinary procedures that they may have to go through and possible consequences for any confirmed breach after exhausting the due processes.

Whistleblowing

As part the Group's commitment towards zero tolerance for bribery and unethical behavior, there are dedicated, secured platforms for employees and third parties to report any suspected or actual unethical behaviour, fraud, dishonesty or breach of the Code of Conduct through e-mail or an electronic form available on Capital A's corporate website. Whistleblowers may report so in good faith and with confidence as confidentiality is assured and concerns raised will be dealt with in accordance with internal policies and procedures.

CONCLUSION

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

The Board has received assurance from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Capital A that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects. For areas which require improvement, including any significant failings or weaknesses identified from reviews, action plans are being developed with implementation dates being monitored by the respective Heads of Department. During the financial year, the Board (through its Board Committees) conducted a quarterly review of the Group's risk management and internal controls, and considered the key observations arising from those activities in strengthening risk responses and internal controls. This included the review of updates on the periodic testing of internal controls by the GIAD. Based on assurance received from Management and updates from the Board Committees, the Board is of the view that the Group's risk management and internal control systems were operating adequately and effectively during the Financial Year Ended 31 December 2025 and up to the date of approval of this Statement.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (AAPG 3): "Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control" included in the Integrated Report issued by the Malaysian Institute of Accountants (MIA). AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies to be set out, nor is it factually inaccurate.

This statement is in accordance with the resolution of the Board of Directors of the Group on 15 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

No proceeds were raised from corporate proposals during the financial year ended 31 December 2025.

2. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts (other than contracts entered into in the ordinary course of business) involving the interests of the Directors, Chief Executive who is not a Director or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

(a) On 25 April 2024, Capital A had entered into the following:-

(i) A conditional share sale and purchase agreement with AirAsia Group Sdn Bhd (formerly known as AirAsia Aviation Group Sdn Bhd) (AAG) for the disposal of its 100% equity interest in AAGL, a wholly-owned subsidiary of the Company, for a disposal consideration of RM3,000,000,000 (Proposed AAAGL Disposal), subject to the terms and conditions as stipulated in the share sale and purchase agreement (AAAGL SSPA); and

(ii) A conditional share sale and purchase agreement with AAG for the disposal of its 100% equity interest in AAB, a wholly-owned subsidiary of the Company, for a disposal consideration of RM3,800,000,000 (Proposed AAB Disposal), subject to the terms and conditions as stipulated in the share sale and purchase agreement (AAB SSPA).

(b) On 26 July 2024, Capital A had entered into supplemental agreements with AAX and AAG to amend and vary certain terms and conditions of the AAAGL SSPA (AAAGL Supplemental SSPA) and AAB SSPA (AAB Supplemental SSPA) (collectively, "Supplemental SSPAs"). Pursuant to the Supplemental SSPAs, AAX has assumed the rights, benefits, titles, interests, obligations and liabilities of AAG to the AAAGL SSPA and AAB SSPA as the purchaser in respect of the Proposed AAAGL Disposal and Proposed AAB Disposal, respectively.

(c) On 3 September 2024, our Company entered into a deed of settlement (Deed of Settlement) with SK Malaysia Investment I Pte. Ltd. (SK), MOVE Digital Sdn. Bhd. and BigPay in respect of the settlement of approximately USD60.00 million (equivalent to approximately RM265.8 million*) as at the LPD arising from a convertible note entered into between SK and BigPay (SK Financing).

Pursuant to the Deed of Settlement, our Company shall pay the principal sum of USD60 million (equivalent to approximately RM265.8 million*) together with the accrued interest to SK in accordance with the agreed repayment schedule, in consideration of all agreements relating to the SK Financing being terminated and parties being discharged from their respective obligations or liabilities under the agreements.

Note:
* *Based on BNM's exchange rate of USD1.00:RM4.43, being the middle rate published on BNM's website as at 28 March 2025*

(d) Capital A had, on 4 September 2024, entered into supplemental agreements with AAX to amend and vary certain terms and conditions of the AAAGL SSPA (as supplemented by the AAAGL Supplemental SSPA) (AAAGL Second Supplemental SSPA) and AAB SSPA (as supplemented by the AAB Supplemental SSPA) (AAB Second Supplemental SSPA) (collectively, "Second Supplemental SSPAs"). Pursuant to the AAAGL Second Supplemental SSPA and AAB Second Supplemental SSPA, Capital A shall, before the completion date of the Proposed AAAGL Disposal and Proposed AAB Disposal, respectively, obtain the approvals and/or consents for the release and/or discharge of any corporate guarantee and/or security provided by Capital A Group (excluding AAAGL Group and AAB Group) in favour of lenders/financiers of the AAAGL Group and AAB Group.

(e) Capital A had, on 17 October 2025, entered into a supplemental agreement with AAX to amend and vary certain terms and conditions of the AAAGL SSPA (as supplemented by the AAAGL Supplemental SSPA and the AAAGL Second Supplemental SSPA) (AAAGL Third Supplemental SSPA). Pursuant to the AAAGL Third Supplemental SSPA, and in view that the board of directors of the Purchaser has resolved to undertake the Tender Offer, the parties mutually agreed to waive the condition precedent that the approval of the Takeover Panel of Securities and Exchange Commission, Thailand, in respect of the proposed exemption under the applicable takeover rules in Thailand to be sought by AAX from the obligation to undertake a tender offer to acquire all remaining shares in Asia Aviation Public Company Limited not already owned by AAX on Completion.

(f) Capital A had, on 18 November 2025, entered into a second supplemental trust deed with Malaysian Trustees Berhad to amend and vary certain terms and conditions of the trust deed dated 18 November 2021 as supplemented by the supplemental trust deed dated 5 November 2024 (Trust Deed) whereby the parties agreed to record the consents given by the RCUIDS Holders to vary the redemption schedule of the RCUIDS and the early redemption right of Capital A in respect of the RCUIDS (Proposed Variation) and to amend the Trust Deed to give effect to the Proposed Variation.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its Group for the financial year ended 31 December 2025 by the auditors, or firm or companies affiliated to the auditors, is as follows:

	Company RM'000	Group RM'000
Audit Fees	419	2,568
Non-Audit Fees	25	8,614
Total	444	11,182

The non-audit fees comprise mainly fees paid to the external auditors for their review of the Statement on Risk Management and Internal Control, the review of the interim consolidated financial information, tax compliance and advisory services.

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

The Group was granted a shareholders' mandate to enter into recurrent related party transactions (RRPT) of a revenue or trading nature with related parties at the Eighth Annual General Meeting held on 13 June 2025.

The information on the aggregate value of the relevant RRPTs during the financial year ended 31 December 2025 is as follows:

No	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2025)
REVENUE/INCOME				
1.	AirAsia X Berhad (AAX)	Provision of operational services by AirAsia (Guangzhou) Aviation Service Limited to AAX in China.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	CNY 4,399,200
2.	AAX	Sale of loyalty points from BIGLIFE Sdn Bhd (BIGLIFE), which operates and manages the AirAsia rewards loyalty programme.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 1,343,482
3	Thai AirAsia X Co. Ltd. (TAAX)	Provision of operational services by AirAsia (Guangzhou) Aviation Service Limited to TAAX in China.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	CNY 585,000
4.	TAAX	Sale of loyalty points from BIGLIFE, which operates and manages the AirAsia rewards loyalty programme.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
5.	Tune Insurance Malaysia Berhad (TIMB)	Provision of travel insurance by TIMB to AirAsia Berhad (AAB) customers for journeys originating from Malaysia, resulting in sales commissions received by AAB.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 6,740,873
6.	Tune Protect Group Berhad (TPGB)	Service Agreements between Move Travel Sdn Bhd (fka: AirAsia.Com Travel Sdn Bhd) (AirAsia.Com) and TPGB to provide services related to managing digital media activities to TPGB.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
7.	ECML Hotels Sdn. Bhd. (ECML Hotels)	Service Agreements between AirAsia.Com and ECML Hotels to provide services related to managing digital media activities to ECML Hotels.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
8.	TPGB	Distribution Agreement between AirAsia.Com and TPGB for the management of insurance business. This includes the Agency Agreement between AirAsia.Com and TIMB, a subsidiary of TPGB, to appoint AirAsia.Com as a registered corporate agent of TIMB to conduct insurance transactions on the airasia.com website and mobile application on behalf of TIMB in exchange for commissions.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 205,862

No	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2025)
REVENUE/INCOME				
9.	Tune Insurance Public Company Limited (TPT)	Media Services Agreement between AirAsia.Com and TPT for the management of digital media activities.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 64,364
10.	Tune Protect Re Ltd (TPR)	Service Agreement between AirAsia SEA Sdn. Bhd. (AirAsia SEA) and TPR for AirAsia SEA to provide refunds on insurance premiums to AirAsia guests.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
11.	TAAX	Provision of platform services by AirAsia.Com: Online distribution of TAAX flight inventory via the airasia.com domain or airasia mobile superapp owned/operated by AirAsia.com	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	USD 1,045,562
12.	AAX	Provision of platform services by AirAsia.Com: Online distribution of AAX flight inventory via the airasia.com domain or airasia mobile superapp owned/operated by AirAsia.com	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 16,736,608
13.	AAX	Provision of the following shared services by AirAsia SEA and AirAsia SEA TH/IHQ/AAAMS/Fleet Consolidated to AAX: (a) Finance and accounting support operation services (b) People department support operation services (c) Information and technology operation support services (d) Refunds (e) Customer support (f) Facilities (g) Procurement (h) Network management centre, safety, operational quality assurance and ground operations (i) Airline strategy, fleet, network, scheduling and regulatory affairs (j) Airport partnerships and incentives (k) Information security (l) Supply chain	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 3,487,230
REVENUE/INCOME				
14.	TAAX	Provision of the following shared services by AirAsia SEA and AirAsia SEA TH/IHQ/AAAMS/Fleet Consolidated Pte Ltd. to TAAX: (a) Finance and accounting support operation services (b) People department support operation services (c) Information and technology operation support services (d) Refunds (e) Customer support (f) Facilities (g) Procurement (h) Network management centre, safety, operational quality assurance and ground operations (i) Airline strategy, fleet, network, scheduling and regulatory affairs (j) Airport partnerships and incentives (k) Information security (l) Supply chain	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 1,369,555
15.	Intrinsic Capital Management Sdn. Bhd. (ICM)	Partnership agreements between Ikhlas Com Travel Sdn. Bhd. (IKHLAS) and ICM forusage of a studio located at Ukay Boulevard.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 18,000
16.	AAX	Line Maintenance Agreement between Asia Digital Engineering Sdn. Bhd. (ADE) and AAX for the provision of resources to ensure the smooth operations of aircraft maintenance including manpower, tooling and store.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 13,712,233
17.	AAX	Partnership agreements between IKHLAS and AAX for the commercial arrangement to appoint IKHLAS as an exclusive sales & distribution partner for the Saudi sectors that AAX offers.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 3,239,076
18.	AAX	Santan Restaurant Sdn. Bhd. (STR) to enter into an agreement with AAX to supply airline catering, merchandise and duty free to AAX as part of inflight services.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 11,107,350

No	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2025)
REVENUE/INCOME				
19.	AAX	Act as acquirer for all close loop transactions and responsible for, including but not limited to, acquiring, servicing, billing to, collecting from, setting the merchant rate and authorising BigPay Card transactions.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 4,903,601
20.	AAX	Provision of the rights to operate scheduled air services under the AIRASIA trade name and livery of Brand AirAsia Sdn Bhd (Brand AA)/ AirAsia Aviation Group Limited (AAAGL).	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 7,157,734
21.	TAAX	Provision of the rights to operate scheduled air services under the AIRASIA trade name and livery of Brand AA/AAAGL.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 5,034,002
22.	AAX	Media Services Agreement between AirAsia.Com and AAX whereby AirAsia.Com will provide digital media management services.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
23.	TAAX	Advertising consultant agreement between AirAsia.Com and TAAX for consultation on media sales for TAAX's media inventory.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
24.	Ormond Group Sdn. Bhd. (Ormond)	Hotel Marketing and Distribution Agreement between AirAsia.Com and Ormond whereby AirAsia.Com is entitled to commissions on the commercial rates paid by customers who purchase hotel room inventory, excluding cancellations and refunds permitted by Ormond.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 139,799
25.	AAX	Aviation Management Support Services Agreement between AirAsia Aviation Management Services Sdn Bhd (AAAMS) and AAX for the following services:- (a) Treasury, Legal (b) Airline HRBP, learning, organisation design and rewards (c) Airline operations and strategy (d) Global policy and government relations, communication and social media (e) Regulatory affairs (f) Safety (g) Operational quality assurance (h) Aircraft focus (i) Airport partnership and incentives (j) Route revenue, pricing and network scheduling (k) Airline marketing and promotion execution (l) Sales and distribution of commercial social media and consumer communication	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
26.	TAAX	Tripartite service agreement between AAAMS, Fleet Consolidated and TAAX for the following services:- (a) Treasury, Legal (b) Airline HRBP, learning, organisation design and rewards (c) Airline operations and strategy (d) Global policy and government relations, communication and social media (e) Regulatory affairs (f) Safety (g) Operational quality assurance (h) Aircraft focus (i) Airport partnership and incentives (j) Route revenue, pricing and network scheduling (k) Airline marketing and promotion execution (l) Sales and distribution (m) Commercial social media and consumer communication	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 3,387,320

No	Transacting Parties	Nature of RRPT	Class and relationship of the Related Parties	Actual Value (as at 31 December 2025)
REVENUE/INCOME				
27.	TPGB	Commercial agreement between Biglife Sdn Bhd (BIGLIFE) and TPGB to participate in the BIG Loyalty Programme as a merchant partner to purchase BIG Points from BIGLIFE for the purpose of awarding these to subscribers of the subsidiaries of TPGB, including but not limited to TIMB and TPT.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 31
28.	AAX	Tenancy agreement between Capital A and AAX for the rent of office premises at Level 5, RedQ with a floor area of 6,972.48 sq ft. Rental payable on a monthly basis.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil
29.	AAX	Partnership agreement between Move Travel and AAX for Easy Cancel products offered to customers purchasing AAX flight tickets.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 143,976
30.	TAAX	Partnership agreement between Move Travel and TAAX for Easy Cancel products offered to customers purchasing TAAX flight tickets.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 95,181
EXPENSES				
31.	AAX	Redemption of loyalty points when Big members use the loyalty points accumulated under the AirAsia rewards programme operated and managed by BIGLIFE for AAX flights and other ancillary products and services.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 1,118,675
32.	AAX	Purchase of TAAX's cargo transportation capacity by Teleport on routes operated by TAAX.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	USD 21,968,298
33.	TAAX	Purchase of TAAX's cargo transportation capacity by Teleport on routes operated by TAAX.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	USD 5,419,348
34.	TAAX	Redemption of loyalty points when Big members use the loyalty points accumulated under the AirAsia rewards programme operated and managed by BIGLIFE for TAAX flights and other ancillary products and services.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 6,953
EXPENSES				
35.	Notel Management Sdn. Bhd. (Notel Management)	The contract for this RRPT(s) was signed between Notel Management and AirAsia SEA for the provision of hotel services to Capital A Group and/or its affiliates and/or its guests at corporate rates provided by Notel Management as a hotel operator that manages hotels on behalf of the following entities that directly invoice the respective entities of Capital A Group: 1. OHG Services Sdn. Bhd. 2. ECML Hotels	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 252,074
36.	Tune Group Sdn. Bhd. (Tune Group)	Sub-tenancy agreement between Capital A and Tune Group for the sublet of office premises at Wisma Tune with a floor area of 5,620 sq ft. Rental payable on a monthly basis.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 210,000
37.	ICM	Tenancy agreement between IKHLAS and ICM for usage of an office located at AmpWalk with a floor area of 7,373 sq ft. Rental payable on a monthly basis.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 97,324
38.	Tune Group	Sub-tenancy agreement between Brand AA and Tune Group for the sublet of office premises at Wisma Capital A with a floor area of 9,544 sq ft. Rental payable on a monthly basis.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 337,674
39.	Tune Group	Sub-tenancy agreement between BIGLIFE and Tune Group for the sublet of office premises at Wisma Capital A with a floor area of 3,889 sq ft. Rental payable on a monthly basis.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	RM 117,939
40.	TPGB	Redemption of loyalty points when Big members use the loyalty points operated and managed by BIGLIFE given by TPGB.	**Interested Directors and Major Shareholders** Tan Sri Anthony Francis Fernandes Datuk Kamarudin Bin Meranun	Nil

The Related Parties relationships are as per the Circular/Statement to shareholders dated 30 April 2025, which was approved at the Annual General Meeting held on 13 June 2025.

5. EMPLOYEES SHARE OPTION SCHEME (ESOS)

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

The Company granted a total of 159,400,000 share options to eligible employees of the Group pursuant to its long-term incentive scheme, of which no options remain outstanding. All options previously granted by Capital A were deemed cancelled on 31 August 2024 as the conditions for vesting of the ESOS Options (which were originally scheduled for vesting on 31 August 2024) were not met.

No options were granted to the Executive Directors of the Company under the ESOS. The Non-Executive Directors of the Company are not eligible to participate in the ESOS.

For the avoidance of doubt, Capital A's long-term incentive scheme remains subsisting as at 31 December 2025.



DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/Paragraph 9.41(b) of the MAIN Market Listing Requirements/ Rule 9.25A of the ACE Market Listing Requirements/Rule 6.13A of the LEAP Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) GROUP TOTAL INCOME AND TOTAL ASSETS

		Group	
Total Income	**Remarks**	**2025 (RM'000)**	**2024 (RM'000)**
Revenue		**1,866,939**	1,709,682
Others (please specify in the remarks column)	Discontinued operation (revenue)	**16,524,630**	18,615,090
Other income		**11,331,781**	31,024
Others (please specify in the remarks column)	Discontinued operation (other income)	**108,210**	1,060,050
Interest/Finance income		**14,658**	1,439
Others (please specify in the remarks column)	Discontinued operation (finance income)	**162,852**	23,612
Total		**30,009,070**	21,440,897
Total Assets		**7,567,895**	30,736,147

(B) BUSINESS ACTIVITIES

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2025 (RM'000)**	**2024 (RM'000)**
Liquor/alcoholic beverages and related products and activities	Served onboard	**2,289**	2,325
Liquor/alcoholic beverages and related products and activities	Duty Free products	**856**	809
Total		**3,145**	3,134

(C) COMPONENT OF FINANCIAL POSITION

(i) Cash Component

		Group	
Islamic Account/Instruments	**Remarks**	**2025 (RM'000)**	**2024 (RM'000)**
Other cash equivalents (please specify in the remarks column)	Cash and bank balances	**14,605**	19,796
Total Cash		**14,605**	19,796
Conventional Account/Instruments			
Asset classified as held for sale: Cash and cash equivalents		**0**	624,247
Deposits with licensed bank		**36,547**	13,158
Other cash equivalents (please specify in the remarks column)	Cash and bank balances	**381,460**	398,231
Total Cash		**418,007**	1,035,636

(ii) Debt Component

		Group	
Islamic Financing	**Remarks**	**2025 (RM'000)**	**2024 (RM'000)**
Current			
Other interest bearing debt (please specify in the remarks column)	Reedemable Convertible Unsecured Islamic Debt Securities	**321,219**	164,052
Non-Current			
Other interest bearing debt (please specify in the remarks column)	Reedemable Convertible Unsecured Islamic Debt Securities	**321,219**	492,156
Total Financing		**642,437**	656,208

		Group	
Conventional Borrowing	**Remarks**	**2025 (RM'000)**	**2024 (RM'000)**
Current			
Term loans		**73,350**	78,088
Other interest bearing debt (please specify in the remarks column)	Convertible Loan Note	**119,962**	58,820
Other interest bearing debt (please specify in the remarks column)	Other Facilities	**216,362**	335,198
Liabilities classified as held for sale: Loans and borrowings		**0**	1,724,920
Non-Current			
Term loans		**133,328**	155,703
Other interest bearing debt (please specify in the remarks column)	Convertible Loan Note	**96,229**	191,668
Liabilities classified as held for sale: Loans and borrowings		**0**	2,692,583
Total Debt		**639,230**	5,236,980

ANALYSIS OF SHAREHOLDINGS

As at 1 April 2026

ORDINARY SHARES

Total number of issued shares : 4,470,480,489
Class of shares : Ordinary shares
Voting rights : One vote per ordinary share

Size of shareholdings	No. of shareholders	%	No. of shares	%
Less than 100	654	0.84	13,259	- (1)
100 – 1,000	19,099	24.42	12,052,070	0.27
1,001 – 10,000	37,114	47.46	176,028,706	3.94
10,001 – 100,000	18,106	23.15	589,119,303	13.18
100,001 - 223,524,023 (2)	3,229	4.13	2,667,782,069	59.67
223,524,024 and above (3)	3	- (1)	1,025,485,082	22.94
	78,205	**100.00**	**4,470,480,489**	**100.00**

Notes:
(1) *Less than 0.01%*
(2) *100,001 to less than 5% of issued shares*
(3) *5% and above of issued shares*

SUBSTANTIAL SHAREHOLDERS

	No. of ordinary shares			
	Direct interest	%	Deemed interest	%
Tune Live Sdn. Bhd.	509,000,000(1)	11.39	-	-
Tune Air Sdn. Bhd.	516,485,082(2)	11.55	-	-
Positive Boom Limited	332,498,504(3)	7.44	-	-
Tan Sri Anthony Francis Fernandes	2,300,000(4)	0.05	1,025,485,082(6)	22.94
Datuk Kamarudin Bin Meranun	11,250,000(5)	0.25	1,029,485,082(7)	23.03
Choi Chiu Fai, Stanley	-	-	332,498,504(8)	7.44

Notes:
(1) *Shares held under RHB Capital Nominees (Tempatan) Sdn. Bhd. and HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Live Sdn. Bhd.*
(2) *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Air Sdn. Bhd.*
(3) *Shares held under own name, UOB Kay Hian Nominees (Asing) Sdn. Bhd. and Kenanga Nominees (Asing) Sdn. Bhd. for Positive Boom Limited*
(4) *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. and Alliancegroup Nominees (Tempatan) Sdn. Bhd. for Tan Sri Anthony Francis Fernandes*
(5) *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Datuk Kamarudin Bin Meranun*
(6) *Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Tune Live Sdn. Bhd. and Tune Air Sdn. Bhd.*
(7) *Deemed interested by virtue of Sections 8 and 59(11)(c) of the Companies Act, 2016 through a shareholding of more than 20% in Tune Live Sdn. Bhd. and Tune Air Sdn. Bhd. and his child's interest in the Company*
(8) *Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Positive Boom Limited*

DIRECTORS' SHAREHOLDINGS

	No. of ordinary shares			
	Direct interest	%	Deemed interest	%
Tan Sri Anthony Francis Fernandes	2,300,000 (1)	0.05	1,025,485,082 (4)	22.94
Datuk Kamarudin Bin Meranun	11,250,000 (2)	0.25	1,029,485,082 (5)	23.03
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Dato' Mohamed Khadar Bin Merican	100,000 (3)	*	-	-
Brig Gen Dato' Fadzillah Binti Abdullah (R)	-	-	-	-

Notes:
* *Negligible*
(1) *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. and Alliancegroup Nominees (Tempatan) Sdn. Bhd.*
(2) *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd.*
(3) *Shares held under Alliance Group Nominees (Tempatan) Sdn. Bhd.*
(4) *Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Tune Live Sdn. Bhd. and Tune Air Sdn. Bhd.*
(5) *Deemed interested by virtue of Sections 8 and 59(11)(c) of the Companies Act, 2016 through a shareholding of more than 20% in Tune Live Sdn. Bhd. and Tune Air Sdn. Bhd. and his child's interest in the Company*

THIRTY LARGEST SHAREHOLDERS

	Names of shareholders	No. of shares held	%
1	HSBC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - UBS AG, Singapore Branch For Tune Air Sdn. Bhd.*	516,485,082	11.55
2	RHB Capital Nominees (Tempatan) Sdn Bhd *RHB Islamic Bank Berhad Pledged Securities Account For Tune Live Sdn Bhd*	260,469,710	5.83
3	HSBC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - UBS AG, Singapore Branch For Tune Live Sdn. Bhd.*	248,530,290	5.56
4	Positive Boom Limited	167,098,704	3.74
5	Kenanga Nominees (Asing) Sdn Bhd *Exempt An For Guotai Junan Securities (Hong Kong) Limited (Client Account)*	164,756,000	3.68
6	HSBC Nominees (Tempatan) Sdn Bhd *Exempt An For BNP Paribas Singapore Branch (Local)*	97,000,000	2.17
7	Cartaban Nominees (Tempatan) Sdn Bhd *RHB Trustees Berhad For Kenanga Absolute Return Fund*	73,655,634	1.65
8	Citigroup Nominees (Asing) Sdn Bhd *CBHK PBGSG For Global Asean Investment Limited*	71,500,000	1.60
9	Amanahraya Trustees Berhad *Amanah Saham Bumiputera*	62,041,200	1.39
10	Yeoh Yew Choo	61,650,100	1.38
11	HSBC Nominees (Asing) Sdn Bhd *BJB Zur For Shiva Fernandes*	49,650,000	1.11
12	Cartaban Nominees (Tempatan) Sdn Bhd *Icapital.biz Berhad*	48,000,000	1.07

ANALYSIS OF SHAREHOLDINGS
As at 1 April 2026

	Names of shareholders	No. of shares held	%
13	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn. Bhd. (2)*	43,873,863	0.98
14	Citigroup Nominees (Asing) Sdn Bhd *UBS AG*	41,269,523	0.92
15	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lim Nyuk Sang @ Freddy Lim (MQ0423)*	39,166,666	0.88
16	HSBC Nominees (Asing) Sdn Bhd *Exempt An For Bank Julius Baer & Co. Ltd. (Singapore Bch)*	31,319,866	0.70
17	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (Non Par 16)*	27,000,000	0.60
18	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chin Chin Seong (7014455)*	23,600,000	0.53
19	Kong Goon Khing	23,000,000	0.51
20	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd For Aham Select Opportunity Fund*	18,598,900	0.42
21	Kong Goon Khing	16,999,000	0.38
22	Kenanga Nominees (Asing) Sdn Bhd *Garynma My Capital Limited*	16,798,000	0.37
23	Kenanga Nominees (Tempatan) Sdn Bhd *ECM Libra Foundation*	16,400,000	0.37
24	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (LPF)*	16,000,000	0.36
25	Cartaban Nominees (Asing) Sdn Bhd *The Bank of New York Mellon for Mackenzie Emerging Markets Fund*	13,935,700	0.31
26	HSBC Nominees (Asing) Sdn Bhd *J.P. Morgan Securities PLC*	13,775,130	0.31
27	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB for Lim Chee Hwa (PB)*	11,514,800	0.26
28	Cartaban Nominees (Tempatan) Sdn Bhd *Prudential Assurance Malaysia Berhad for Prulink Strategic Fund*	10,977,600	0.24
29	Cartaban Nominees (Asing) Sdn Bhd *Exempt An For Barclays Capital Securities Ltd (SBL/PB)*	10,831,700	0.24
30	Ramly Bin Abdullah	10,700,000	0.24

ANALYSIS OF REDEEMABLE CONVERTIBLE UNSECURED ISLAMIC DEBT SECURITIES (RCUIDS) HOLDINGS
As at 1 April 2026

RCUIDS 2021/2028

Total number of RCUIDS issued : 803,968,950
Conversion price of RCUIDS : RM0.21 each
Expiry date of RCUIDS : 29 December 2028
Voting rights : No voting rights

Size of holdings	No. of RCUIDS holders	%	No. of RCUIDS	%
Less than 100	859	13.20	39,049	- (1)
100 – 1,000	1,846	28.38	1,104,778	0.14
1,001 – 10,000	2,879	44.26	11,179,885	1.40
10,001 – 100,000	800	12.30	22,717,228	2.82
100,001 - 40,198,446 (2)	116	1.78	120,528,974	14.99
40,198,447 and above (3)	5	0.08	648,399,036	80.65
	6,505	**100.00**	**803,968,950**	**100.00**

Notes:
(1) *Less than 0.01%*
(2) *100,001 to less than 5% of issued RCUIDS*
(3) *5% and above of issued RCUIDS*

DIRECTORS' RCUIDS HOLDINGS

	No. of RCUIDS			
	Direct interest	%	Deemed interest	%
Tan Sri Anthony Francis Fernandes	-	-	343,028,359 (1)	42.67
Datuk Kamarudin Bin Meranun	-	-	346,279,359 (2)	43.07
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Dato' Mohamed Khadar Bin Merican	250,00 (3)	0.03	-	-
Brig Gen Dato' Fadzillah Binti Abdullah (R)	-	-	-	-

Notes:
(1) *Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Sky Accord Sdn. Bhd.*
(2) *Deemed interested by virtue of Sections 8 and 59(11)(c) of the Companies Act, 2016 through a shareholding of more than 20% in Sky Accord Sdn. Bhd. and his child's interest in the Company*
(3) *RCUIDS held under Alliance Group Nominees (Tempatan) Sdn. Bhd.*

ANALYSIS OF REDEEMABLE CONVERTIBLE UNSECURED ISLAMIC DEBT SECURITIES (RCUIDS) HOLDINGS

As at 1 April 2026

THIRTY LARGEST RCUIDS HOLDERS

	Names of RCUIDS holders	No. of RCUIDS held	%
1	Citigroup Nominees (Tempatan) Sdn Bhd *Kenanga Investors Berhad For Sky Accord Sdn. Bhd.*	343,028,359	42.67
2	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt An For Kenanga Investors Bhd*	141,419,110	17.59
3	Kenanga Nominees (Asing) Sdn Bhd *Exempt An For Guotai Junan Securities (Hong Kong) Limited (Client Account)*	64,918,666	8.07
4	M & A Nominee (Asing) Sdn Bhd *For Positive Boom Limited*	55,699,568	6.93
5	Citigroup Nominees (Tempatan) Sdn Bhd *CBHK PBGSG For Calvin Lau Chuen Yien*	43,333,333	5.39
6	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt An For Deutsche Bank AG Singapore (Maybank SG PWM)*	22,500,000	2.80
7	Cartaban Nominees (Tempatan) Sdn Bhd *RHB Trustees Berhad For Kenanga Absolute Return Fund*	17,645,300	2.19
8	HSBC Nominees (Tempatan) Sdn Bhd *Exempt An For BNP Paribas Singapore Branch (Local)*	15,999,999	1.99
9	Citigroup Nominees (Asing) Sdn Bhd *CBHK PBGSG For Global Asean Investment Limited*	13,000,000	1.62
10	Lau Chuen Wai William	6,000,000	0.75
11	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB For Lim Chee Hwa (PB)*	3,754,933	0.47
12	Leong Yeng Kit	3,403,333	0.42
13	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ishraq Bin Kamarudin (3010737)*	3,251,000	0.40
14	Kenanga Nominees (Tempatan) Sdn Bhd *Kho Chai Yam*	2,222,333	0.28
15	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account For Mohammed Amin Bin Mahmud (MM1004)*	2,114,000	0.27
16	Kenanga Nominees (Asing) Sdn Bhd *Garynma My Capital Limited*	1,267,400	0.16
17	Syed Faisal Albar Bin Syed A.R Albar	1,100,000	0.14
18	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB For Lai Ming Chun @ Lai Poh Lin (PB)*	1,004,266	0.12
19	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Kho Chai Yam*	940,166	0.12
20	Linc Shared Services Sdn. Bhd.	700,000	0.09
21	Liew Then Choy	670,200	0.08
22	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB For Teoh Teng Guan (PB)*	663,700	0.08
23	Citigroup Nominees (Asing) Sdn Bhd *Exempt An For UBS AG Singapore (Foreign)*	655,166	0.08
24	Maybank Nominees (Tempatan) Sdn Bhd *Exempt An For Astute Fund Management Berhad (EPF Sha Enh Inc)*	647,000	0.08
25	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lim Nyuk Sang Freddy Lim*	633,333	0.08
26	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yong Chen Kong @ Joseph Yong (E-IMO)*	627,400	0.08
27	Mohammed Amin Bin Mahmud	621,200	0.08
28	WP Travel Sdn. Bhd.	576,666	0.07
29	Nxgen Capital Sdn Bhd	572,666	0.07
30	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account For Joyce Matilda A/P James Devaraj David (MM1365)*	537,000	0.07

ANALYSIS OF WARRANTS HOLDINGS

As at 1 April 2026

WARRANTS 2021/2028

Total number of outstanding warrants : 639,954,289
Conversion price of warrants : RM0.28 each
Expiry date of warrants : 29 December 2028
Voting rights : No voting rights

Size of holdings	No. of warrants holders	%	No. of warrants	%
Less than 100	1,158	13.31	54,249	- (1)
100 – 1,000	2,888	33.21	1,485,901	0.23
1,001 – 10,000	2,850	32.77	11,710,348	1.83
10,001 – 100,000	1,347	15.49	48,311,457	7.55
100,001 - 31,997,713 (2)	451	5.19	303,709,267	47.46
31,997,714 and above (3)	3	0.03	274,683,067	42.92
	8,697	**100.00**	**639,954,289**	**100.00**

Notes:
(1) *Less than 0.01%*
(2) *100,001 to less than 5% of issued warrants*
(3) *5% and above of issued warrants*

DIRECTORS' WARRANTS HOLDINGS

	No. of Warrants			
	Direct interest	%	Deemed interest	%
Tan Sri Anthony Francis Fernandes	-	-	171,514,179 (1)	26.80
Datuk Kamarudin Bin Meranun	-	-	171,514,179 (1)	26.80
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar	-	-	-	-
Dato' Fam Lee Ee	-	-	-	-
Dato' Mohamed Khadar Bin Merican	-	-	-	-
Brig Gen Dato' Fadzillah Binti Abdullah (R)	-	-	-	-

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

ANALYSIS OF WARRANTS HOLDINGS
As at 1 April 2026

THIRTY LARGEST WARRANTS HOLDERS

	Names Of Warrants Holders	No. Of Warrants Held	%
1	Citigroup Nominees (Tempatan) Sdn Bhd *Kenanga Investors Berhad For Sky Accord Sdn. Bhd.*	171,514,179	26.80
2	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt An For Kenanga Investors Bhd*	70,709,555	11.05
3	Kenanga Nominees (Asing) Sdn Bhd *Exempt An For Guotai Junan Securities (Hong Kong)Limited (Client Account)*	32,459,333	5.07
4	Citigroup Nominees (Asing) Sdn Bhd *CBHK PBGSG For Global Asean Investment Limited*	28,166,666	4.40
5	Positive Boom Limited	27,849,784	4.35
6	Syed Hossin Bin Wan Hamit	14,109,300	2.20
7	Kok Yoon Lim	12,516,900	1.95
8	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt An For Deutsche Bank AG Singapore (Maybank SG PWM)*	11,250,000	1.76
9	Yeoh Yew Choo	10,000,000	1.56
10	HSBC Nominees (Tempatan) Sdn Bhd *Exempt An For BNP Paribas Singapore Branch (Local)*	7,999,999	1.25
11	Citigroup Nominees (Asing) Sdn Bhd *Exempt An For OCBC Securities Private Limited (Client A/C-NR)*	6,349,132	0.99
12	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account For Tay Moy Koh (Segamat-CL)*	4,990,000	0.78
13	Cartaban Nominees (Tempatan) Sdn Bhd *Icapital.Biz Berhad*	4,880,366	0.76
14	Ng Kok Hin	3,944,500	0.62
15	Maybank Nominees (Tempatan) Sdn Bhd *Mtrustee Berhad For Ethereal Capital Sdn. Bhd. (Growth Fund)(445788)*	3,806,600	0.59
16	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account For Ng Kok Hin (KDMSR-CL)*	3,476,800	0.54
17	Chah Ching Boo	3,362,600	0.52
18	Maybank Nominees (Tempatan) Sdn Bhd *Wong Ka Pau*	3,200,000	0.50
19	Lau Chuen Wai William	3,000,000	0.47
20	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Exempt An For CGS International Securities Singapore Pte. Ltd. (Retail Clients)*	2,900,333	0.45
21	Kenanga Nominees (Tempatan) Sdn Bhd *Chong Mei*	2,695,700	0.42
22	Moomoo Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Lee Leong Joo*	2,240,000	0.35
23	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Beh Lee Fong (E-SS2)*	2,064,500	0.32
24	Kenanga Nominees (Tempatan) Sdn Bhd *Rakuten Trade Sdn Bhd For Tam Thin Choy*	2,000,000	0.31
25	Public Invest Nominees (Asing) Sdn Bhd *Exempt An For Phillip Securities Pte Ltd (Clients)*	1,946,406	0.30
26	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB For Lim Chee Hwa (PB)*	1,877,466	0.29
27	Woo Siew Cheong	1,790,000	0.28
28	Maybank Nominees (Tempatan) Sdn Bhd *Syed Hossin Bin Wan Hamit*	1,670,000	0.26
29	Liew Loo Chon	1,650,000	0.26
30	Teoh Choon Wei	1,550,000	0.24

LIST OF PROPERTIES

Owner of Building	Postal Address/ Location of Building	Description/ Existing Use of Building	Tenure/Date of Expiry of Lease	Built-Up Area	Approximate Age of Building	Audited Net Book Value as at 31 Dec 2025 ('000)
Asia Digital Engineering Sdn Bhd [1]	RedChain Engineering Building, Jalan KLIA S3, Southern Support Zone, 64000 KLIA, Selangor Darul Ehsan, Malaysia.	Permanent Structure/ Office building	31 January 2034 [2]	21,227 sqm	7 years	40,574
	ADE Hangar, Jalan KLIA S7, 64000 KLIA, Selangor Darul Ehsan	Permanent Structure/ Hangar/ Workshop	a) Initial sublease period : 11 Feb 2034 b) Automatic renewal sublease period : 15 Nov 2052 (subject to MAHB renewal of Principle Lease Agreement with MOT/FLC)[3]	39,025.98 sqm (without apron)	14 months	275,255

[1] *RedChain was novated to ADE Asset Two Sdn. Bhd. in July 2024*
[2] *This refers to the date of expiry of the concession from Malaysia Airports Holdings Berhad for the plot of land occupied by the AirAsia Engineering Complex (RedChain)*

KEY INFORMATION	
Building Name:	Redchain, Kejuruteraan Dan Logistik
Registered Owner:	Asia Digital Engineering Sdn Bhd
Address:	Pt 25, Jalan KLIA S3, Lapangan Terbang Antarabangsa Kuala Lumpur, Sepang, Selangor Darul Ehsan
Type of Asset:	Operational
Year of Construction:	2018
Land Title:	Concession (Government Land)
Concessionaire:	Malaysia Airports Holdings Berhad
Concession Period:	23.07.2017 to 31.01.2034
Land Use Planning:	Airline Support Facilities
Ownership:	Federal Land Commission
No. of Storeys:	2
Floor Area GF	113,953 sqft
Floor Area 1st F	27,019 sqft

[3] *This refers to the date of expiry of the concession from Malaysia Airports Holdings Berhad for the plot of land occupied by the ADE MRO Hangar*

KEY INFORMATION	
Building Name:	ADE MRO HANGAR
Registered Owner	ADE Asset One Sdn. Bhd. (AssetCo1).
Address	ADE Hangar, Jalan KLIA S7, 64000 KLIA, Selangor Darul Ehsan
Type of Asset	Operational
Year of Construction	2023
Land Title:	Sublease (Government Land)
Concessionaire:	Malaysia Airports Holdings Berhad
Concession Period:	a) Initial Sublease Period : 16 Nov 2022 - 11 Feb 2034 b) Automatic renewal sublease period : 15 Nov 2052 (subject to MAHB renewal of Principle Lease Agreement with MOT/FLC)
Land Use Planning:	Airline support facilities
Ownership:	Federal Land Commission
No. of Buildings	3
Floor Area Hangar A	12,201.93 sqm
Floor Area Hangar B	15,071.53 sqm
Floor Area MRO Workshop GF	5,895.40 sqm
Floor Area MRO Workshop 1st Floor	2,657.56 sqm
Floor Area MRO Workshop Rooftop (Services)	2,816.06 sqm
Floor Area External Building	383.50 sqm

Capital A Berhad does not hold any properties under its name

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting (9th AGM) of Capital A Berhad (Capital A or the Company) will be held at The Summit 1, Connexion Conference & Event Centre (The Vertical) Level M1, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Tuesday, 16 June 2026 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements together with the Reports of the Directors and Auditors thereon for the financial year ended 31 December 2025.

   Please refer to Explanatory Note A.

2. To approve the payment of directors' fees, allowances and benefits to the Non-Executive Directors as set out in the explanatory note for the period from 17 June 2026 until the next Annual General Meeting of the Company to be held in the year 2027. **(Ordinary Resolution 1)**

   Please refer to Explanatory Note B.

3. To re-elect Tan Sri Anthony Francis Fernandes as Director who retires by rotation in accordance with Rule 119 of the Company's Constitution and being eligible, has offered himself for re-election. **(Ordinary Resolution 2)**

   Dato' Mohamed Khadar Bin Merican who also retires by rotation in accordance with Rule 119 of the Company's Constitution, will not be seeking re-election at this 9th AGM. Hence, he will retain office until the conclusion of the 9th AGM.

   Please refer to Explanatory Note C.

4. To re-appoint Messrs. BDO PLT as auditors of the Company and to authorise the Board of Directors to determine their remuneration. **(Ordinary Resolution 3)**

AS SPECIAL BUSINESS

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

5. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **(Ordinary Resolution 4)**

   "**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."

   Please refer to Explanatory Note D.

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **(Ordinary Resolution 5)**

   "**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 2026, 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."

   Please refer to Explanatory Note E.

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** **(Ordinary Resolution 6)**

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

   i. the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase; and

   ii. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company.

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

a. the conclusion of the next AGM of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or

b. the expiration of the period within which the next AGM of the Company is required by law to be held; or

c. the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

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

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

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

By Order of the Board

TEO SOH FUNG (SSM PC NO. 202008001818) (MAICSA 7046614)
Company Secretary

Kuala Lumpur
30 April 2026

IMPORTANT NOTES

APPOINTMENT OF PROXY

(i) A member is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where two (2) proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.

(ii) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

(iii) A member who is an exempt authorised nominee for multiple beneficial owners in one securities account (Omnibus Account) may appoint any number of proxies in respect of the Omnibus Account.

(iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

(v) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by our Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned meeting:

a. In hard copy form
In the case of an appointment made in hard copy, the Form of Proxy must be duly executed and deposited at the Registered Office of the Company at Wisma Capital A, 19-04-02, 19, Lorong Dungun, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia. **Faxed, photocopied and electronic scanned copies of the duly executed form of proxy are not acceptable.**

b. By electronic forms
In the case of an appointment made via electronic means, the Form of Proxy can be electronically lodged via Vistra Share Registry and IPO (MY) portal (**The Portal**) at https://srmy.vistra.com. Please refer to the Administrative Note for further information on submission via The Portal.

(vi) Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Rule 41(a) of the Company's Constitution, only those Foreigners (as defined in the Constitution) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total number of issued shares of the Company, on a first-in-time basis based on the Record of Depositors to be used for the forthcoming AGM, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the AGM.

(vii) For the purpose of determining members who shall be entitled to attend the 9th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at 8 June 2026. Only depositors whose names appear on the Record of Depositors as at 8 June 2026 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

(viii) Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, all resolutions set out in the notice of 9th AGM will be put to vote by poll.

(ix) By submitting the duly executed Form of Proxy, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 9th AGM or any adjournment thereof.

EXPLANATORY NOTES:

A. Audited Financial Statements for the financial year ended 31 December 2025

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

B. Ordinary Resolution 1 - Payment of Directors' Remuneration

The Board of Directors recommended that the quantum of Non-Executive Directors' Remuneration for the period from 17 June 2026 or any adjournment thereof until the next AGM of the Company to be held in the year 2027 shall remain the same as the quantum paid in the preceding period, as detailed below:-

Non-Executive Directors' Fees (per annum)	**Non-Executive Chairman (RM)**	**Per Non-Executive Director/ Per other Committee Member (RM)**
Board of Directors	N/A	290,000
Audit Committee	110,000	75,000
Nomination and Remuneration Committee	75,000	55,000
Safety Review Board	75,000	55,000
Risk Management and Sustainability Committee	75,000	55,000
Non-Executive Directors' Benefits (per attendance by each Director or Committee member)	**Board of Directors (RM)**	**Board Committees (RM)**
Meeting allowance	**3,000**	**3,000**

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

C. Ordinary Resolution 2 - Re-election of Director

In accordance with Rule 119 of the Company's Constitution, Tan Sri Anthony Francis Fernandes (retiring director) is due to retire by rotation, and being eligible, has offered himself for re-election at the 9th AGM.

Dato' Mohamed Khadar Bin Merican also will retire by rotation as a Director in accordance with Rule 119 of the Company's Constitution. As Dato' Mohamed Khadar Bin Merican has decided not to offer himself for re-election, he will retire from the Board at the conclusion of this 9th AGM.

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

The retiring director has met the fit and proper criteria of Character and Integrity, Experience and Competence as well as Time and Commitment as set up in the Directors' Fit and Proper Policy of the Company and the Board is satisfied with the performance and contributions of the retiring director. The Board has deliberated and endorsed the NRC's recommendation on his re-election and recommended the re-election of the retiring director for approval by the shareholders at the 9th AGM.

The profile of the retiring director who is standing for re-election is set out in the Company's Annual Report 2025.

The Board also wishes to record its appreciation to Dato' Mohamed Khadar Bin Merican for his contributions to the Company during his tenure as an Independent Non-Executive Director of the Company.

D. Ordinary Resolution 4 - Authority to issue and allot shares pursuant to the Act

The proposed Ordinary Resolution 4, if passed, will empower the Directors to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to this mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. This mandate sought is a renewal of the mandate which was approved by shareholders at the last AGM held on 13 June 2025. As at the date of this notice, the Company has not issued any new shares under this mandate which will lapse at the conclusion of the 9th AGM.

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

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

E. Ordinary Resolution 5 - Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 5, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature set out in the Circular/Statement to Shareholders of the Company dated 30 April 2026 which are necessary for the Group's day-to-day operations. This mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

Please refer to the Circular/Statement to Shareholders dated 30 April 2026 for further information.

F. Ordinary Resolution 6 - Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 6 is for the purpose of renewing the authority granted by the shareholders of the Company at the last AGM held on 13 June 2025. The aforesaid proposed renewal will allow the Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company.

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

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Circular/Statement to Shareholders dated 30 April 2026.

GLOSSARY

Non-airline	
F&B	Food and beverage
GBV	Gross booking value
IP	Intellectual property
MAU	Monthly active users
MRO	Maintenance, repair and overhaul
OTA	Online travel agency
RTE	Ready-to-eat
TUR	Take-up rate

Airline	
ASK	Available seat kilometre
CASK	Cost per ASK
CASK ex fuel	Cost per ASK, excluding fuel
RASK	Revenue per ASK
RPK	Revenue passenger kilometre

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are mainly provision of maintenance, repair and overhaul, logistics, online travel agency, food and beverages, brand and intellectual property and fintech services. Further details of the principal activities of the subsidiaries are described in Note 13 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	13,433,736	1,222,157
Profit net of tax attributable to:		
Owners of the parent	13,018,058	1,222,157
Non-controlling interests	415,678	-
	13,433,736	1,222,157

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

SHARE CAPITAL

During the financial year, the issued and paid-up share capital of the Company increased following the conversion of Redeemable Convertible Unsecured Islamic Debt Securities ("RCUIDS") and the exercise of warrants.

The RCUIDS were converted into a total of 90,126,728 ordinary shares, comprising 36,810,086 shares at an issue price of RM0.75 per share and 53,316,642 shares at an issue price of RM0.21 per share. In addition, 9,635,012 warrants were exercised into ordinary shares, comprising 9,576,697 shares at RM1.00 per share and 58,315 shares at RM0.28 per share. All new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

RCUIDS AND WARRANTS

Units of RCUIDS convertible into ordinary shares of the Company as at the financial year ended 31 December 2025 are as follows:

Expiry date	Conversion price (RM)	Units of RCUIDS
29 December 2028	0.21	815,230,589

Salient terms of the RCUIDS are disclosed in Note 29 to the financial statements.

Number of warrants with options to subscribe for ordinary shares of the Company as at the financial year ended 31 December 2025 are as follows:

Expiry date	Exercise price (RM)	Units of warrants
29 December 2028	0.28	640,035,136

Salient terms of the warrants are disclosed in Note 36 to the financial statements.

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Datuk Kamarudin Bin Meranun*
Tan Sri Anthony Francis Fernandes*
Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar
Dato' Mohamed Khadar Bin Merican
Dato' Fam Lee Ee*
Brigadier General Dato' Fadzillah Binti Abdullah (Retired)

* These Directors are also Directors of the Company's subsidiaries.

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Aaron Gomez
Adam Nicholas James Rhodes
Aim Prachyaset
Aireen Omar
Anajuk Chareonwongsak
Anthony Chai Kwok Seng
Arifin Eko Prasetyo
Army Aditya
Augustus Ralph Marshall
Bawornpak Siripanich
Cao Nghi Hoang
Carlo Emmanuel M/Locsin
Chandran S/O Urath Sankaran Nair
Chan May May
Chan Yeng Han
Craig Matthews
Dato' Sreesanthan A/L Eliathamby
Dato' Hisham Bin Othman
Frederick M Arejola

DIRECTORS (CONT'D.)

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are: (cont'd.)

Francis Anthony Anthony Mariedass
Ernest D. Bernal
Eric Lim Soon Huat
Goh Hui Loon
Hanim Hamzah
Hee Joon Kim
Jan Philipp Poter
Joanna Binti Ibrahim
John Paul V. De Leon
Joshua Alexander Harris
Karena Fernandes
Kartina Binti Mohd Tahir
Keith Lingam A/L Mahalingam
Kerry Cheng Davis
Kesavan Sivanandam
Kok Ding Chan
Leo Francis F. Abot
Leong Shir Mein
Lou Chiu Chern
Low Kar Chuan
Ikhlas Bin Kamarudin
Isharidah Binti Ishak
Mahesh Kumar A/L Jaya Kumar
Manfredi Lefebvre D' Ovidio Clunieres Di Balsorano
Mark Xavier D. Oyales
Mihai-Gabriel Simionescu
Milan Dhingra
Mohamad Hafidz Bin Mohd Fadzil
Manolito Alvarez Manolo
Mounir Klinkhamer
Muhammad Hafiz Bin Khairudin
Muhammad Hazwan Bin Muhammad Hatta
Marrisa Ann Jessudass
Nadia Zahir Omer
Nam Vissoth
Natacha Sabrina Kong Hung Cheong
Natasha Binti Kamaluddin
Nguyen Thi Bich Lien
Nicholas Chua
Nipun Anand
Nur Airin Zairin Binti Zainul Bahrin
Olivier Petra
Pattra Boosarawongse
Prashanth Ahobala Nagabushan
Randy Fernando Manongga
Raja Hamzah Abidin Bin Raja Nong Chik
Ramanathan A/L A.M.N Thiagarajan
Ras Adiba Binti Mohd Radzi
Riad Asmat
Ricardo P. Isla
Rozman Bin Omar
Sami Joseph El Hadery
Severino Miguel. B Sanchez
Siti Nurdiana Binte Mohamed Ramli
Siti Melisa Binti Mohd Irwan Abdullah
Subashini A/P Silvadas @ Silvadar
Tan Lih Shan
Tanarat Wachirakul
Tan Siew Lee
Tassapon Bijleveld
Teh Mun Hui
V Loganathan S/O Velaitham
Wee Choo Peng
Yeoh Sai Ho
Yona Chandrawati

DIRECTORS' BENEFITS

During and at the end of the financial year ended 31 December 2025, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 5(b) and Note 5(c) to the financial statements.

Details of Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 are as follows:

	Group RM'000	Company RM'000
Directors of the Company:		
Salaries, bonus, allowances and other employee benefits	90,753	55,253
Defined contribution plan	11,343	7,083
Fees	2,158	2,158
	104,254	64,494

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Directors and officers of the Group and of the Company are covered under a Directors' and Officers' Liability Insurance up to an aggregate limit of RM100,000,000 against any legal liability, if incurred by the Directors and officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiaries.

During the financial year, the total amount of indemnity coverage and insurance premium paid for Directors and officers of the Group and of the Company were RM1,260,000.

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO PLT during or since the financial year.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in the ordinary shares, warrants and/or RCUIDS of the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.1.2025	Acquired	Disposed	At 31.12.2025
Direct interests in the Company				
Datuk Kamarudin Bin Meranun[1]	2,000,000	-	-	2,000,000
Tan Sri Anthony Francis Fernandes[2]	2,000,000	300,000	-	2,300,000
Dato' Mohamed Khadar Bin Merican	100,000	-	-	100,000
Indirect interests in the Company				
Tan Sri Anthony Francis Fernandes[3]	1,025,485,082	-	-	1,025,485,082
Datuk Kamarudin Bin Meranun[4]	1,026,558,782	300,000	-	1,026,858,782

	Number of redeemable convertible unsecured islamic debt securities ("RCUIDS")			
	At 1.1.2025	Acquired	Disposed	At 31.12.2025
Direct interests in the Company				
Dato' Mohamed Khadar Bin Merican	250,000	-	-	250,000
Indirect interests				
Tan Sri Anthony Francis Fernandes^	343,028,359	-	-	343,028,359
Datuk Kamarudin Bin Meranun^^	344,532,759	1,746,600	-	346,279,359

DIRECTORS' INTERESTS (CONT'D.)

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in ordinary shares, warrants and/or RCUIDS over ordinary shares in the Company and its related corporations during the financial year were as follows: (cont'd.)

	Number of Warrants			
	At 1.1.2025	Acquired	Disposed	At 31.12.2025
Indirect interests				
Tan Sri Anthony Francis Fernandes[2]	171,514,179	-	-	171,514,179
Datuk Kamarudin Bin Meranun[1]	171,514,179	-	-	171,514,179

1 *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd.*
2 *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. and Alliancegroup Nominees (Tempatan) Sdn. Bhd.*
3 *By virtue of his interests in shares of more than 20% in the substantial shareholders of the Company, Tune Air Sdn. Bhd.4 ("TASB") and Tune Live Sdn. Bhd.5 ("TLSB"). Tan Sri Anthony Francis Fernandes is deemed to have interests in the Company to the extent of TASB's and TLSB's interests therein, in accordance with Section 8 of the Companies Act, 2016 ("the Act").*
4 *By virtue of his interest in more than 20% of the shares in the substantial shareholders of the Company, namely TASB4, TLSB5 and his child's shareholding in the Company, Datuk Kamarudin Bin Meranun is deemed to have interests in the Company to the extent of TASB's and TLSB's interests therein, in accordance with Section 8 of the Act and the interest held through his child in accordance with Section 59(11)(c) of the Act.*
5 *Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for TASB.*
6 *Shares held under RHB Capital Nominees (Tempatan) Sdn. Bhd. and HSBC Nominees (Tempatan) Sdn. Bhd. for TLSB.*
^ *Deemed interested by virtue of Section 8 of the Act through a shareholding of more than 20% in Sky Accord Sdn. Bhd.*
^^ *Deemed interested by virtue of Section 8 and Section 59(11)(c) of the Act through a shareholding of more than 20% in Sky Accord Sdn. Bhd. and the interest held through his child.*

Other than as disclosed above, none of the other Directors in office at the end of the financial year held any interest in shares or debentures of the Company and its related corporations during the financial year.

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the Long Term Incentive Scheme ("LTIS") which is governed by LTIS By-Laws and RCUIDS with free detachable warrants.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D.)

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were otherwise not substantially affected by any item, transaction or event of a material and unusual nature, other than gain on disposal of subsidiaries of RM11,320,177,000 in the Group's and loss on disposal of subsidiaries of RM2,129,651,000 in the Company's financial statements;

(ii) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

(g) The Board of Directors is confident that based on the working capital management and funding plans disclosed in Note 2.1 to the financial statements which discussed in detail management's steps to address the current Practice Note 17 status of the Company are expected to be achievable, hence the Group and the Company will be in good stead to weather the current challenging environment.

SIGNIFICANT AND SUBSEQUENT EVENTS

Following the corporate proposals approved on 14 October 2024 by non-interested shareholders of Capital A Berhad:

(a) AirAsia Aviation Group Limited ("AAAGL") Disposal has been completed on 16 January 2026 following settlement of consideration via the allotment and issuance of 2,307,692,307 consideration shares by AirAsia X Berhad ("AAX") to Capital A Berhad and the Entitled shareholders of Capital A under the Distribution on even date.

(b) AirAsia Berhad (AAB) Disposal has been completed on 16 January 2026 following settlement of consideration via the debt settlement where by AAX has assumed an amount of RM3,800,000,000 owing by Capital A Berhad to AAB on even date.

The Company has submitted a supplementary application to the High Court of Malaya on 3 December 2025 for reduction in Company's issued share capital pursuant to Distribution by RM2,741,538,641. The High Court has confirmed the reduction in Company's share capital on 8 December 2025. The reduction in Company's share capital has taken effect upon the lodgement of the sealed order of the High Court of Malaya with Registrar of Companies on 16 January 2026.

Following the proposed regularisation plan approved by Bursa Securities on 7 March 2025 and shareholders of the Company on 7 May 2025, the Company has submitted a petition to the High Court of Malaya on 3 December 2025 to obtain an order for the reduction in the Company's issued share capital by RM5,507,594,000. The High Court has confirmed the reduction in the Company's issued share capital on 21 January 2026. The reduction in Company's share capital has taken effect upon the lodgement of the sealed order of the High Court of Malaya with Registrar of Companies on 23 January 2026.

Further details of significant and subsequent events are disclosed respectively in Notes 45 and 46 respectively to the financial statements.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM'000	Company RM'000
Continuing operations		
Statutory audit		
BDO PLT	1,477	419
Member firms of BDO PLT	766	-
Other auditors	325	-
Other services		
BDO PLT	2,980	25
Member firms of BDO PLT	5,634	-
	11,182	444
Discontinued operations		
Statutory audit		
BDO PLT	1,629	-
Member firms of BDO PLT	1,626	-
	3,255	-
	14,437	444

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2026.

Datuk Kamarudin Bin Meranun **Tan Sri Anthony Francis Fernandes**

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Kamarudin Bin Meranun and Tan Sri Anthony Francis Fernandes, being two of the Directors of Capital A Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 191 to 317 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2026.

Datuk Kamarudin Bin Meranun **Tan Sri Anthony Francis Fernandes**

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Sri Anthony Francis Fernandes, being the Director primarily responsible for the financial management of Capital A Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 191 to 317 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
above named Tan Sri Anthony Francis Fernandes
at Kuala Lumpur in Malaysia
on 10 April 2026

Tan Sri Anthony Francis Fernandes

Before me,

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
to the members of Capital A Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Capital A Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 191 to 317.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

Impairment assessment of the carrying amount of goodwill on consolidation

The carrying amount of goodwill on consolidation as at 31 December 2025 amounted to RM227,737,000 as disclosed in Note 17 to the financial statements.

We determined the annual assessment of impairment of goodwill to be a key audit matter because of the significance of the asset to the consolidated financial position of the Group and it requires significant management judgements and assumptions in determining the value-in-use of the Cash-Generating Units ("CGUs") to determine the expected cash flows. These judgements and key assumptions include projected growth in future revenue, pre-tax discount rates and terminal values.

INDEPENDENT AUDITORS' REPORT
to the members of Capital A Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

Key Audit Matters of the Group (cont'd.)

Audit response

Our audit procedures included the following:

a. compared cash flow projections against recent performance and evaluate the key assumptions used in the projections by comparing to actual historical operating profit margins and growth;

b. compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;

c. evaluated appropriateness of pre-tax discount rates used for each CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors; and

d. performed sensitivity analysis to stress test the key assumptions in the impairment model.

Recoverability of trade receivables

As at 31 December 2025, the net carrying amount of trade receivables of the Group were RM287,934,000 as disclosed in Note 19 to the financial statements. The Group has impaired trade receivables of RM9,897,000 as at 31 December 2025.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

Audit response

Our audit procedures included the following:

a. assessed the adequacy of credit impaired assessment performed by the management on trade receivables exceeding their credit terms and long overdue and old balances;

b. tested the accuracy of trade receivables' ageing;

c. assessed the expected credit loss ("ECL") for portfolios of trade receivables based on customer segments, historical information on payment trend and forward-looking information;

d. recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;

e. recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;

f. inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and

g. assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

Key Audit Matters of the Group (cont'd.)

Revenue recognition from passenger seat sales, ancillary services and sales in advance

For the financial year ended 31 December 2025, revenue from passenger seat sales was RM13,253,911,000 as disclosed in Note 4 to the financial statements, accounted for 71% of the Group's total revenue.

The Group relies on an integrated information technology system (including the flight reservation and revenue accounting systems) to account for passenger seat sales and ancillary revenue. These systems process high volumes of individually low-value transactions, and the flight reservation system is managed by a third-party vendor.

We determined this to be a key audit matter because the high level of automation in revenue recognition from passenger seat sales, ancillary services and sales in advance.

Audit response

Our audit procedures included the following:

a. obtained an understanding of, and evaluated, the Group's information technology systems and key controls supporting revenue recognition from passenger seat sales, ancillary services and sales in advance, including the interfaces between the flight reservation system, revenue accounting systems and the general ledger;

b. where components of the flight reservation system are managed by third party service providers, we have evaluated the relevant external assurance reports and evaluated the design and operating effectiveness of the controls over those systems;

c. involved information technology specialists to test the design and operating effectiveness of IT General Controls and key automated controls within the revenue related systems, including controls over access, system configurations, and automated revenue recognition logic;

d. tested relevant non automated controls over revenue recognition to ensure the completeness and accuracy of revenue recognised;

e. performed data analytics to reconcile passenger seat sales revenue recognised during the year with movements in sales in advance and payments received from passengers;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

Key Audit Matters of the Group (cont'd.)

Revenue recognition from passenger seat sales, ancillary services and sales in advance (cont'd.)

Audit response (cont'd.)

Our audit procedures included the following (cont'd):

f. tested on a sample basis, to corroborate the occurrence of revenue by tracing revenue recognised to supporting evidence such as settlement reports from financial institutions;

g. tested the reconciliation between the flight reservation system and the general ledger to assess the completeness and accuracy of revenue recorded; and

h. performed procedures to verify that revenue from passenger seat sales and ancillary services was recognised in the appropriate accounting period by testing flights operated before and after year end.

Key Audit Matters of the Group and Company

Proposed disposal of Airasia Aviation Group Limited ("AAAGL") and AirAsia Berhad ("AAB") to AirAsia X Berhad ("AAX")

As disclosed in Note 2.1.1 to the financial statements, the Company has entered into conditional share sale and purchase agreements with AAX for the disposal of AAAGL and AAB.

Upon the announcement made by the Company which bind the Company to its shareholders on the Distribution Shares, as well as cessation of reporting from the Directors and management of AAAGL and AAB to the Board of Directors of the Company, the date of loss of control by the Company in AAAGL and AAB was determined as 3 December 2025.

Audit response

Our audit procedures included the following:

a. read the sale and purchase agreements and correspondence between the Company and AAX and assessed whether the disposal has been accounted for in line with the terms of the agreements;

b. determined the accuracy of the carrying amount of cost of investment and disposal group to supporting information;

c. performed re-computation of the gain on disposal of AAAGL and AAB;

d. assessed the adequacy of the disclosures in respect of the disposal of investments in the financial statements; and

e. involved our internal technical specialists to evaluate the appropriateness of management's determination of the date of loss of control and the accounting treatment applied to the disposal with reference to MFRSs.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditors' report, and Annual Report, which is expected to be made available to us after that date, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
to the members of Capital A Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT
to the members of Capital A Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd.)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

Other Matters

The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were audited by another firm of Chartered Accountant whose report dated 30 April 2025 express an unqualified opinion on those statements.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur, Malaysia
10 April 2026

Ng Soe Kei
02982/08/2027 J
Chartered Accountant

INCOME STATEMENTS
For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Continuing operations					
Revenue	4(a)	**1,866,939**	1,709,682	**3,478,577**	10,000
Other income	4(b)	**11,331,781**	31,024	**18,082**	21,994
Operating expenses					
- Staff costs	5(a)	**(679,922)**	(682,021)	**(90,199)**	(58,441)
- Depreciation of property, plant and equipment	11	**(58,386)**	(46,132)	**(227)**	(182)
- Depreciation of right-of-use assets	31	**(49,493)**	(15,386)	**-**	-
- Consumables	7(d)	**(271,425)**	(233,865)	**-**	-
- Logistic expenses	7(e)	**(677,461)**	(673,261)	**-**	-
- Other operating expenses		**(750,992)**	(779,740)	**(2,161,723)**	(781,057)
Operating profit/(loss)		**10,711,041**	(689,699)	**1,244,510**	(807,686)
Finance income	8(a)	**14,658**	1,439	**51,096**	62,412
Finance costs	8(b)	**(209,170)**	(165,247)	**(90,077)**	(85,880)
Net operating profit/(loss)		**10,516,529**	(853,507)	**1,205,529**	(831,154)
Foreign exchange gain/(loss)	8(c)	**14,486**	(37,587)	**16,628**	(740)
Net fair value loss onderivatives	8(d)	**(2,519)**	-	**-**	-
Profit/(Loss) before taxation carried forward		**10,528,496**	(891,094)	**1,222,157**	(831,894)

INCOME STATEMENTS
For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Profit/(Loss) before taxation brought forward		**10,528,496**	(891,094)	**1,222,157**	(831,894)
Taxation					
- Current taxation	9	**(15,805)**	(1,642)	**-**	-
- Deferred taxation	9	**12,852**	11,045	**-**	-
		(2,953)	9,403	**-**	-
Net profit/(loss) for the financial year from continuing operations		**10,525,543**	(881,691)	**1,222,157**	(831,894)
Discontinued operations					
Profit for the financial year from discontinued operations	42	**2,908,193**	421,223	**-**	-
Profit/(Loss) for the financial year		**13,433,736**	(460,468)	**1,222,157**	(831,894)
Net profit/(loss) for the financial year attributable to:					
Owners of the parent:					
- continuing operations		**10,517,544**	(896,003)		
- discontinued operations		**2,500,514**	394,757		
		13,018,058	(501,246)		
Non-controlling interests					
- continuing operations		**7,999**	14,312		
- discontinued operations		**407,679**	26,466		
		415,678	40,778		
Earnings/(Loss) per share attributable to owners of the parent (sen per share)					
• continuing operations					
- Basic	10	**242.2**	(20.9)		
- Diluted	10	**133.3**	(15.4)		
• discontinued operations					
- Basic	10	**57.6**	9.2		
- Diluted	10	**31.7**	6.8		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Net profit/(loss) for the financial year		**13,433,736**	(460,468)	**1,222,157**	(831,894)
Other comprehensive income/(loss)					
Continuing operations					
Items that may be subsequently reclassified to profit or loss					
Foreign currency translation differences, representing net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**17,883**	50,223	**-**	-
Items that will not be subsequently reclassified to profit or loss		**(163)**	12	**-**	-
Remeasurement gain on employee benefits liability, net of tax					
Conversion of RCUIDS into ordinary shares		**529**	410	**529**	410
Net movement in other reserves	36	**263,198**	-	**276,923**	-
Net movement on investment securities		**3,080**	(13,342)	**6,991**	-
Net other comprehensive income/(loss) that may not be reclassified to profit or loss in subsequent periods		**266,644**	(12,920)	**284,443**	410

STATEMENTS OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Discontinued operations					
Items that may be subsequently reclassified to profit or loss					
Cash flow hedges		-	3,830	-	-
Foreign currency translation differences, representing net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**306,148**	486,249	-	-
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**306,148**	490,079	-	-
Items that will not be subsequently reclassified to profit or loss					
Remeasurement loss on employee benefits liability, net of tax		**(680)**	(71,793)	-	-
Net movement on investment securities		**(1,944)**	7,419	-	-
Net other comprehensive loss that may not be reclassified to profit or loss in subsequent periods		**(2,624)**	(64,374)	-	-
Other comprehensive income for the financial year, net of tax carried forward		**588,051**	463,008	**284,443**	410
Total comprehensive income/(loss) for the financial year		**14,021,787**	2,540	**1,506,600**	(831,484)

	Note	Group 2025 RM'000	Group 2024 RM'000
Total comprehensive income/(loss) attributable to:			
- Owners of the parent		**13,639,429**	(35,237)
- Non-controlling interests		**382,358**	37,777
		14,021,787	2,540

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000
Non-current assets			
Property, plant and equipment	11	**312,289**	228,200
Investment properties	12	**-**	-
Right-of-use assets	31	**571,761**	404,072
Finance lease receivables	31	**-**	-
Investment in a joint venture	14	**-**	-
Investment in associates	15	**-**	-
Investment securities	16	**167,926**	68,094
Intangible assets	17	**238,059**	245,022
Deferred tax assets	18	**56,025**	1,652
Receivables and prepayments	19	**1**	1
Derivative financial instruments	20	**11,383**	11,383
		1,357,444	958,424
Current assets			
Inventories	21	**206,523**	147,481
Receivables and prepayments	19	**433,531**	391,252
Amounts due from associates	23	**8,653**	26,971
Amounts due from related parties	24	**5,097,401**	78,329
Tax recoverable		**20,186**	18,760
Derivative financial instruments	20	**11,545**	-
Deposits, cash and bank balances	25	**432,612**	431,185
		6,210,451	1,093,978
Assets of disposal groups classified as held for sale	42	**-**	28,683,745
Total assets		**7,567,895**	30,736,147

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000
Current liabilities			
Trade and other payables	26	**3,702,084**	653,558
Current portion of long term debentures	30	**-**	-
Aircraft maintenance provisions and liabilities	27	**-**	-
Sales in advance	28	**2,895**	12,050
Amounts due to associates	23	**116**	131
Amounts due to related parties	24	**1,254,708**	58,230
Borrowings	29	**730,893**	635,964
Lease liabilities	31	**7,276**	1,575
Tax payables		**7,572**	10,661
Derivative financial instruments	20	**2,668**	-
		5,708,212	1,372,169
Non-current liabilities			
Trade and other payables	26	**11,465**	5,961
Non-current portion of long term debentures	30	**-**	-
Deferred tax liabilities	18	**67,309**	25,763
Borrowings	29	**550,774**	839,720
Lease liabilities	31	**297,933**	112,223
Provision for retirement benefits	32	**10,962**	10,799
		938,443	994,466
Liabilities of disposal groups classified as held for sale	42	**-**	38,384,479
Total liabilities		**6,646,655**	40,751,114
Net assets/(liabilities)		**921,240**	(10,014,967)
Capital and reserves			
Share capital	33	**8,819,438**	8,768,569
Merger deficit	35	**-**	(5,507,594)
Foreign exchange reserve		**6,849**	756,520
Accumulated losses		**(5,323,010)**	(12,833,474)
Reserves	36(a)	**(2,548,936)**	41,792
Total shareholders' equity/(deficit)		**954,341**	(8,774,187)
Non-controlling interests	13	**(33,101)**	(1,240,780)
Total equity/(deficit)		**921,240**	(10,014,967)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2025

	Note	Company 2025 RM'000	Company 2024 RM'000
Non-current assets			
Property, plant and equipment	11	**672**	891
Investment in subsidiaries	13	**648,358**	647,080
Investment securities	16	**112,354**	-
Derivative financial instruments	20	**11,383**	11,383
		772,767	659,354
Current assets			
Receivables and prepayments	19	**7,365**	2,928
Amounts due from subsidiaries	22	**4,550,153**	4,819,900
Amounts due from related parties	24	**4,384,894**	-
Deposits, cash and bank balances	25	**15,160**	1,545
		8,957,572	4,824,373
Assets held for sale	42	**-**	6,199,535
Total assets		**9,730,339**	11,683,262
Current liabilities			
Trade and other payables	26	**2,954,577**	6,917
Amounts due to subsidiaries	22	**48,414**	4,091,604
Amounts due to related parties	24	**581,586**	1,135
Borrowings	29	**441,181**	222,872
		4,025,758	4,322,528
Non-current liabilities			
Deferred tax liabilities	18	**24,746**	25,275
Borrowings	29	**417,446**	683,824
		442,192	709,099
Total liabilities		**4,467,950**	5,031,627
Net assets		**5,262,389**	6,651,635
Capital and reserves			
Share capital	33	**8,819,438**	8,768,569
Accumulated losses		**(972,825)**	(2,194,982)
Reserves	36(a)	**(2,584,224)**	78,048
Total equity		**5,262,389**	6,651,635

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Attributable to owners of the parent										
	Non-distributable										
	Number of shares '000	Share capital RM'000 (Note 33)	Merger deficit RM'000 (Note 35)	Foreign exchange reserve RM'000	RCUIDS reserves RM'000 (Note 36(a))	Warrants reserves RM'000 (Note 36(a))	Other reserves RM'000 (Note 36(a))	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2025	**4,330,434**	**8,768,569**	**(5,507,594)**	**756,520**	**21,863**	**56,185**	**(36,256)**	**(12,833,474)**	**(8,774,187)**	**(1,240,780)**	**(10,014,967)**
Net profit for the financial year	-	-	-	-	-	-	-	**13,018,058**	**13,018,058**	**415,678**	**13,433,736**
Other comprehensive income/(loss)	-	-	-	**357,351**	**529**	-	**263,491**	-	**621,371**	**(33,320)**	**588,051**
Total comprehensive income	-	-	-	**357,351**	**529**	-	**263,491**	**13,018,058**	**13,639,429**	**382,358**	**14,021,787**
Disposal of subsidiaries	-	-	**5,507,594**	**(1,107,022)**	-	-	**(2,874,515)**	**(5,507,594)**	**(3,981,537)**	**825,321**	**(3,156,216)**
Issuance of new warrants	-	-	-	-	-	**21,867**	-	-	**21,867**	-	**21,867**
Conversion of RCUIDS into ordinary shares	**90,127**	**41,265**	-	-	**(2,119)**	-	-	-	**39,146**	-	**39,146**
Exercise of warrants into ordinary shares	**9,635**	**9,604**	-	-	-	**19**	-	-	**9,623**	-	**9,623**
At 31 December 2025	**4,430,196**	**8,819,438**	**-**	**6,849**	**20,273**	**78,071**	**(2,647,280)**	**(5,323,010)**	**954,341**	**(33,101)**	**921,240**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Attributable to owners of the parent											
	Non-distributable											
	Number of shares '000	Share capital RM'000 (Note 33)	Merger deficit RM'000 (Note 35)	Foreign exchange reserve RM'000	Share option reserves RM'000 (Note 36(a))	RCUIDS reserves RM'000 (Note 36(a))	Warrants reserves RM'000 (Note 36(a))	Other reserves RM'000 (Note 36(a))	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024	4,254,582	8,711,742	(5,507,594)	217,047	21,678	23,161	56,185	37,618	(12,357,440)	(8,797,603)	(1,294,821)	(10,092,424)
Net (loss)/profit for the financial year	-	-	-	-	-	-	-	-	(501,246)	(501,246)	40,778	(460,468)
Other comprehensive income/(loss)	-	-	-	39,473	-	- 410	-	(73,874)	-	466,009	(3,001)	463,008
Total comprehensive income/(loss)	-	-	-	539,473	-	410	-	(73,874)	(501,246)	(35,237)	37,777	2,540
Investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	16,264	16,264
Conversion of RCUIDS into ordinary shares	75,852	56,827	-	-	-	(1,708)	-	-	-	55,119	-	55,119
Share-based payments	-	-	-	-	3,534	-	-	-	-	3,534	-	3,534
Expiry of share-based payments	-	-	-	-	(25,212)	-	-	-	25,212	-	-	-
At 31 December 2024	4,330,434	8,768,569	(5,507,594)	756,520	-	21,863	56,185	(36,256)	(12,833,474)	(8,774,187)	(1,240,780)	(10,014,967)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Number of shares '000	Share capital RM'000 (Note 33)	Share option reserves RM'000 (Note 36(a))	Fair value reserves RM'000 (Note 36(a))	Distribution reserves RM'000 (Note 36(a))	RCUIDS reserves RM'000 (Note 36(a))	Warrants reserves RM'000 (Note 36(a))	Accumulated losses RM'000	Total equity RM'000
	Non-distributable							Distributable	
At 1 January 2025	**4,330,434**	**8,768,569**	**-**	**-**	**-**	**21,863**	**56,185**	**(2,194,982)**	**6,651,635**
Net profit for the financial year	-	-	-	-	-	-	-	1,222,157	1,222,157
Other comprehensive income	-	-	-	283,914	-	529	-	-	284,443
Total comprehensive income	-	-	-	283,914	-	529	-	1,222,157	1,506,600
Disposal of subsidiary	-	-	-	(203,077)	(2,741,538)	-	-	-	(2,944,615)
Conversion of RCUIDS into ordinary shares	90,127	41,265	-	-	-	(2,119)	-	-	39,146
Exercise of warrants into ordinary shares	9,635	9,604	-	-	-	-	19	-	9,623
AT 31 DECEMBER 2025	**4,430,196**	**8,819,438**	**-**	**80,837**	**(2,741,538)**	**20,273**	**56,204**	**(972,825)**	**5,262,389**
AT 1 JANUARY 2024	4,254,582	8,711,742	21,395	-	-	23,161	56,185	(1,389,172)	7,423,311
Net loss for the financial year	-	-	-	-	-	-	-	(831,894)	(831,894)
Other comprehensive income	-	-	-	-	-	410	-	-	410
Total comprehensive income/(loss)	-	-	-	-	-	410	-	(831,894)	(831,484)
Conversion of RCUIDS into ordinary shares	75,852	56,827	-	-	-	(1,708)	-	-	55,119
Share-based payments	-	-	4,689	-	-	-	-	-	4,689
Expiry of share-based payments	-	-	(26,084)	-	-	-	-	26,084	-
At 31 December 2024	4,330,434	8,768,569	-	-	-	21,863	56,185	(2,194,982)	6,651,635

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from operating activities					
Profit/(Loss) before taxation		**10,528,496**	(891,094)	**1,222,157**	(831,894)
Adjustments for:					
Property, plant and equipment:					
- Depreciation		**58,386**	46,132	**227**	182
- Loss on disposals	6	**2,071**	756	**-**	-
- Impairment	6	**2,288**	-	**-**	-
Right-of-use assets:					
- Depreciation		**49,493**	15,386	**-**	-
- Impairment	6	**1,654**	-	**-**	-
Intangible assets:					
- Amortisation	17	**7,147**	8,216	**-**	-
Impairment/(Reversal) of impairment on					
- trade and other receivables	6	**3,825**	7,591	**-**	-
- amounts due from subsidiaries	6	**-**	-	**(30,296)**	504,132
- investment in a subsidiary	6	**-**	-	**-**	238,257
Fair value loss on investment in securities	6	**7,654**	-	**-**	-
Share-based payments	5(a)	**-**	1,904	**-**	573
Provision for retirement benefits		**1,388**	7,083	**-**	-
Net fair value loss on derivatives	8(d)	**2,519**	-	**-**	-
(Gain)/Loss on disposal of subsidiaries		**(11,320,177)**	-	**2,129,651**	(3,973)
Gain on disposal of investment in securities	4(b)	**(238)**	-	**-**	-
Net unrealised foreign exchange (gain)/loss	8(c)	**(30,506)**	34,623	**(16,429)**	755
Dividend income		**-**	-	**(3,468,577)**	-
Interest expense	8(b)	**175,190**	147,098	**90,077**	85,880
Interest expense - Lease liabilities	8(b)	**33,980**	18,149	**-**	-
Interest income	8(a)	**(14,658)**	(1,439)	**(51,096)**	(62,412)
Operating loss carried forward		**(491,488)**	(605,595)	**(124,286)**	(68,500)

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from operating activities (cont'd.)					
Operating loss brought forward		**(491,488)**	(605,595)	**(124,286)**	(68,500)
Changes in working capital:					
Inventories		**(59,086)**	(8,806)	**-**	-
Receivables and prepayments		**(56,327)**	(116,228)	**(4,607)**	339
Payables and provisions		**110,521**	(48,311)	**6,782**	3,017
Sales in advance		**(9,052)**	9,551	**-**	-
Amounts due from/to subsidiaries, associates, joint venture and related parties		**977,381**	(14,217)	**206,564**	142,210
Cash generated from/(used in) operations		**471,949**	(783,606)	**84,453**	77,066
Interest paid		**(2,869)**	(65,219)	**-**	(4,853)
Interest received		**2,828**	1,424	**-**	-
Taxes (paid)/refunded		**(19,941)**	(10,912)	**-**	150
Retirement benefits paid		**(945)**	(4,833)	**-**	-
Operating cash flow from/(used in) continuing operations		**451,022**	(863,146)	**84,453**	72,363
Operating cash flow from discontinued operations		**5,216,061**	4,686,740	**-**	-
Net cash from operating activities		**5,667,083**	3,823,594	**84,453**	72,363

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from investing activities					
Property, plant and equipment					
- Additions		**(163,123)**	(231,838)	**(8)**	(865)
- Proceeds from disposals		**13,964**	18,011	**-**	-
Addition in intangible assets		**(518)**	(1,687)	**-**	
Proceeds from disposals of investment securities		**751**	-	**-**	-
Net cash outflow from disposal of:					
- subsidiaries	13	**(1,674,450)**	-	**-**	-
Net changes:					
- Deposits pledged as securities and restricted cash		**40,885**	2,157	**-**	-
- Deposits with licensed banks with maturity period of more than 3 months		**(7,696)**	396	**-**	-
Additional subscription of shares in					
- investment securities	16	**(1,490)**	(272)	**(1,490)**	-
Investing cash flow used in continuing operations		**(1,791,677)**	(213,233)	**(1,498)**	(865)
Investing cash flow from discontinued operations		**166,486**	18,781	**-**	-
Net cash used in investing activities		**(1,625,191)**	(194,452)	**(1,498)**	(865)
Cash flows from financing activities					
Proceeds from borrowings		**49,851**	212,850	**-**	-
Repayment of borrowings		**(294,454)**	(109,302)	**(78,899)**	(71,337)
Proceeds from warrants exercise		**9,604**	-	**9,604**	-
Payment of lease liabilities		**(43,119)**	(4,597)	**-**	-
Financing cash flow (used in)/from continuing operations		**(278,118)**	98,951	**(69,295)**	(71,337)
Financing cash flow used in discontinued operations		**(4,188,055)**	(3,524,241)	**-**	-
Net cash used in financing activities		**(4,466,173)**	(3,425,290)	**(69,295)**	(71,337)
Net (decrease)/increase for the financial year		**(424,281)**	203,852	**13,660**	161
Currency translation differences		**(28,697)**	76,371	**(45)**	5
Cash and cash equivalents at beginning of the financial year		**802,313**	522,090	**1,545**	1,379
Cash and cash equivalents at end of the financial year		**349,335**	802,313	**15,160**	1,545

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2025

For the purposes of the cash flow statements, cash and cash equivalents include the following:

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Continuing operations					
Deposits, bank and cash balances		**432,612**	431,185	**15,160**	1,545
Less:					
Deposits pledged as securities and restricted cash		**(72,391)**	(113,276)	**-**	-
Deposits with licensed banks with maturity period of more than 3 months		**(10,886)**	(3,290)	**-**	-
		349,335	314,619	**15,160**	1,545
Discontinued operations					
Deposits, bank and cash balances		**-**	624,247	**-**	-
Less:					
Deposits pledged as securities and restricted cash		**-**	(115,166)	**-**	-
Deposits with licensed banks with maturity period of more than 3 months		**-**	(21,387)	**-**	-
		-	487,694	**-**	-
Cash and cash equivalents at end of the financial year		**349,335**	802,313	**15,160**	1,545

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

1. GENERAL INFORMATION

Capital A Berhad ("CAB" or "the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and the principal place of business of the Company is as follows:

Wisma Capital A,
19-04-02, 19, Lorong Dungun,
Bukit Damansara,
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are described in Note 13 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 10 April 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Following the Amendments to MFRS 101 "Disclosure of Accounting Policies", only material accounting policy information, where, when considered together with other information included in these financial statements, can reasonably be expected to influence decisions made by users are disclosed under this note. The following material accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, and to all the financial periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The Directors are of the opinion that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis as the Directors believe that the Group and the Company would be able to successfully complete the following to regularise and improve the financial condition of the Group and of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.1 Basis of preparation (cont'd.)

The Company has taken active steps to regularise and improve our financial condition. The Company has completed the following exercises in an attempt to regularise our business:

2.1.1 Proposed Corporate Exercises

On 25 April 2024, the Company proposes to undertake the Proposed AAAGL Disposal, Proposed AAB Disposal and Proposed Distribution ("Proposed Corporate Exercises").

On 14 October 2024, the Company obtained the approvals from our non-interested shareholders and the non-interested holders of the RCUIDS at our EGM and RCUIDS holders meeting in respect of the Proposed Corporate Exercises.

On 21 March 2025, the High Court of Malaya has confirmed the Company's issued share capital reduction and repayment under Section 116 of the Companies Act 2016 pursuant to the Proposed Distribution, and that the exact amount of the issued share capital of the Company to be reduced to facilitate the Proposed Distribution will depend on the application by our Company to the High Court of Malaya after the Entitlement Date based on the prevailing market price of AAX Shares. For clarity, further to the aforementioned confirmation granted by the High Court of Malaya, the Proposed Corporate Exercises are still subject to the fulfilment and/or waiver (as the case may be) of certain conditions precedent of the SSPAs. The Entitlement Date will be determined and announced later by our Company after all the conditions precedent of the SSPAs have been fulfilled and/or waived (as the case may be).

Pursuant to the Proposed Corporate Exercises, AAX will undertake a Private Placement of RM1 billion to strengthen the financial position of the enlarged aviation group (AAX Group, AAB Group and AAAGL Group).

The Company has submitted a supplemental application to the High Court of Malaya on 3 December 2025 to obtain an ancillary order from the High Court of Malaya pursuant to Section 116 of the Act for the reduction in Company's issued share capital pursuant to the Distribution by RM2,741,538,641 based on the closing market price of AAX Shares of RM1.62 on 3 December 2025, being the Entitlement Date and also the Accounting Completion Date for the Proposed AAAGL Disposal and Proposed AAB Disposal.

The High Court of Malaya has confirmed the reduction in Company's issued share capital pursuant to the Distribution by RM2,741,538,641 on 8 December 2025.

The AAAGL Disposal has been completed on 16 January 2026 in accordance with the terms and conditions of the AAAGL SSPA following the settlement of the AAAGL Disposal Consideration via the allotment and issuance of 2,307,692,307 Consideration Shares (including the Distribution Shares) by AAX to Capital A and the Entitled Shareholders of Capital A under the Distribution on even date. Consideration Shares were listed and quoted on the Main Market of Bursa Securities on 19 January 2026. Accordingly, the Distribution has been completed following the listing of and quotation for 1,692,307,692 Distribution Shares on the Main Market of Bursa Securities on even date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.1 Basis of preparation (cont'd.)

The Company has taken active steps to regularise and improve our financial condition. The Company has completed the following exercises in an attempt to regularise our business (cont'd.):

2.1.1 Proposed Corporate Exercises (cont'd.)

The AAB Disposal has also been completed on 16 January 2026 in accordance with the terms and conditions of the AAB SSPA following the settlement of the AAB Disposal Consideration via the Debt Settlement whereby AAX has assumed an amount of RM3,800.0 million owing by Capital A to AAB on even date.

The reduction in the Company's issued share capital by RM2,741,538,641.04 pursuant to the Distribution has taken effect upon the lodgement of the sealed order of the High Court of Malaya with the Registrar of Companies on 16 January 2026.

As at the date of this report, the transfer of the shares in AAB and AAAGL has yet to be reflected in the register of members of AAB and AAAGL respectively pending the endorsement of stamp duty exemption on the instruments of transfer by the Inland Revenue Board of Malaysia.

2.1.2 Proposed Regularisation Plan

On 23 December 2024, the application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities on 23 December 2024.

On 7 March 2025, Bursa Securities had, vide its letter dated 7 March 2025, granted its approval for the Proposed Regularisation Plan, subject to the conditions as set out in Section 10 of the Circular.

On 15 April 2025, the Circular in relation to the Proposed Regularisation Plan has been issued to shareholders of the Company and the extra general meeting was held on 7 May 2025.

The Company has submitted a petition to the High Court of Malaya on 3 December 2025 to obtain an order from the High Court of Malaya pursuant to Section 116 of the Act for the reduction in the Company's issued share capital pursuant to the Proposed Regularisation Plan by RM5,507,594,000.

The High Court of Malaya has confirmed the reduction in the Company's issued share capital pursuant to the Regularisation Plan by RM5,507,594,000 on 21 January 2026.

The Capital Reduction has taken effect upon the lodgement of the sealed order of the High Court of Malaya with the Registrar of Companies on 23 January 2026. Accordingly, the Regularisation Plan has been completed following the completion of the Capital Reduction on even date.

2.1.3 Capital A Remaining Businesses

After the completion of the Proposed Corporate Exercises, the Group will strategically diversify from being one of the major low-cost carriers in Southeast Asia into a diversified ecosystem of aviation and digital services. This shift is designed to capture opportunities beyond traditional airline operations, directly responding to evolving consumer demands and technological advancements. After the completion of the Proposed Corporate Exercises, the Group's core verticals shall comprise ADE, Santan, Teleport, MOVE as well as AirAsia Brand.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.1 Basis of preparation (cont'd.)

The Company has taken active steps to regularise and improve its financial condition. The Company has undertaken the following exercises in an attempt to regularise the business: (cont'd.)

2.1.4 Funding

Teleport Everywhere Pte. Ltd., had on 22 January 2026 entered into a Subscription Agreement ("Agreement") with funds managed by HPS Investment Partners ("Subscriber" or "HPS"). HPS has agreed to subscribe for, and Teleport has agreed to issue and allot to HPS, redeemable convertible perpetual securities ("RCPS") for a total consideration of USD50 million, on and subject to the terms and conditions of the Agreement. Teleport had on 6 February 2026 completed its issuance of RCPS following the fulfillment of all conditions precedent pursuant to the Agreement and upon receipt of the subscription proceeds of USD50 million (equivalent to RM195 million, based on the exchange rate of USD1: RM3.90).

Move Travel Sdn. Bhd. had on 14 November 2025, accepted a letter of offer from a local bank for a term loan facility of RM77 million.

Asia Digital Engineering Sdn. Bhd. ("ADE") has accepted a letter of offer from a financial institution for a credit facility of USD100 million.

2.2 Standards, amendments to published standards and interpretations that are effective

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121 Lack of Exchangeability	1 January 2025

The Amendments introduce guidance on determining the appropriate exchange rate when a currency lacks exchangeability and require disclosures on the nature of the restrictions, the basis for estimating the exchange rate and the resulting effects on the entity's financial position, financial performance and cash flows.

This Amendment had no impact on the consolidated financial statements of the Group as the Group was not exposed to any non-exchangeable currencies as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.3 Standards issued but not yet effective

The amendments, standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these amendments, standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107: Annual Improvements to MFRS Standards Volume 11 (Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107)	1 January 2026
MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements (Amendments to MFRS 18)	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures (Amendments to MFRS 19)	1 January 2027
Amendment to MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The Directors expect that the adoption of the above amendments, standards and interpretations will have no material impact on the financial statements in the period of initial application, except for the changes in presentation and disclosures of financial information arising from the adoption of these Amendments to MFRSs as discussed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 Presentation of Financial Statements. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

MFRS 18 Presentation and Disclosure in Financial Statements (cont'd.)

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.4 Basis of consolidation

2.4.1 Subsidiaries

Subsidiaries are consolidated using the acquisition method except for those subsidiaries acquired under common control. Under the acquisition method, identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The excess of the consideration over the Group's share of fair value of the identifiable net assets acquired at the acquisition date is reflected as goodwill. Any gain from bargain purchase is recognised directly in profit or loss.

Non-controlling interests arising from a business combination are measured based on their proportionate share of the fair value of net assets acquired. Equity components that are not entitled to the entity's proportionate share of net assets are measured at their acquisition-date fair values. Transactions with owners of non-controlling interests without a change in control are treated as equity transactions in the statement of changes in equity.

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later). The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

2.4.2 Associates and joint ventures

Investment in joint ventures and associates are accounted using the equity method. Under the equity method, the investment is recorded at cost and thereafter adjusted for post acquisition results and other changes in net assets of the joint venture or associates.

2.4.3 Reverse acquisition of an asset or a group of assets that does not constitute a business

At the time of reverse acquisition, the Group considers whether each reverse acquisition represents the reverse acquisition of a business or the reverse acquisition of an asset. Where the assets acquired and liabilities assumed do not constitute a business as defined under MFRS 3, the transaction is accounted as an asset acquisition.

In such cases, the Group identifies and recognises the individual identifiable assets acquired (including intangible assets) and liabilities assumed. The cost of acquisition is allocated to the individual identifiable assets and liabilities based upon their relative fair value at the date of purchase, and no goodwill or deferred tax is recognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.4 Basis of consolidation (cont'd.)

2.4.3 Reverse acquisition of an asset or a group of assets that does not constitute a business (cont'd.)

The legal subsidiary is regarded as the accounting acquirer while the legal parent is regarded as the accounting acquiree. The accounting acquirer is deemed to have issued equity shares as purchase consideration for the assets and liabilities of the accounting acquiree using the accounting principles of MFRS 2. The fair value of issued equity shares is determined based on the market value of the accounting acquiree which is represented by the quoted and trade price of its shares right before the reverse acquisition. The difference between the purchase consideration and the fair value of identifiable assets acquired and liabilities assumed will be recognised in the income statement as acquisition cost arising from the reverse acquisition.

2.4.4 Internal reorganisation

Acquisition of entities under an internal reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company is a continuation of the acquired entities and is accounted for as follows:

(a) The results of entities are presented as if the internal reorganisation occurred from the beginning of the earliest period presented in the financial statements;

(b) The Company will consolidate the assets and liabilities of the acquired entities at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the internal reorganisation that would otherwise be done under the acquisition method; and

(c) No new goodwill is recognised as a result of the internal reorganisation. The only goodwill that is recognised is the existing goodwill relating to the combining entities. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as merger reserve or deficit.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated. Significant parts of other item of property, plant and equipment are depreciated separately over their estimated useful lives in accordance with the principle in MFRS 116 'Property, Plant and Equipment'. Depreciation is calculated using the straight-line method to write-off the cost of the assets to their residual values over their estimated useful lives.

Aircraft	
- engines, airframes and spare engines excluding service potential	25 years
- service potential of engines	8 years
- service potential of airframes	13 years
- service potential of spare engines	11 years
Aircraft spares	10 years
Aircraft fixtures and fittings	Useful life of aircraft or remaining lease term of aircraft, whichever is shorter
Buildings	30 years
Motor vehicles	5 years
Office equipment, furniture and fittings	5 years
Office renovation	5 years
Simulator equipment	25 years
Operating plant and ground equipment	5 years
In-flight equipment	5 years
Training equipment	5 years

Service potential of 8 years for engines represents the period over which the expected cost of the first major aircraft engine overhaul is depreciated. Subsequent to the engine overhaul, the actual cost incurred is capitalised and depreciated over the subsequent 8 years.

Service potential of 13 years for airframes represents the period over which the expected cost of the first major airframe check is depreciated. Subsequent to the airframe check, the actual cost incurred is capitalised and depreciated over the subsequent 13 years.

Assets not yet in operation are stated at cost and are not depreciated until the assets are ready for their intended use. Useful lives of assets are reviewed and adjusted if appropriate, at the reporting date.

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalent aged assets and depreciation rates are adjusted accordingly on a prospective basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.5 Property, plant and equipment (cont'd.)

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.7 on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in profit or loss.

Deposits on aircraft purchase are recognised as deposits and subsequently included as part of the cost of the aircraft and are depreciated from the date that aircraft is ready for its intended use.

2.6 Intangible assets

2.6.1 Goodwill

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

2.6.2 Research and development – internally developed software

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life which is between 3 to 7 years.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.7 Impairment

Goodwill and other intangible assets that have an indefinite useful life or are not yet available for use are tested annually for impairment. Other non-financial assets are assessed for indication of impairment. If an indication exists, an impairment test is performed. In the case of financial assets, it is based on expected credit loss.

This exercise is performed annually or whenever events or circumstances occur indicating that impairment may exist.

The recognition and measurement of impairment are as follows:

2.7.1 Non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in-use.

2.7.2 Subsidiaries, joint ventures and associates

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment, including the proceeds from its disposal.

2.7.3 Impairment of financial assets and contract assets

The Group recognises an allowance for expected credit loss ("ECL") for all debt instruments not held at fair value through profit or loss ("FVTPL").

ECLs are measured based on a general 3-stage approach and a simplified approach.

2.7.3.1 General 3-stage approach for other receivables and amounts due from subsidiaries

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.7 Impairment (cont'd.)

The recognition and measurement of impairment are as follows (cont'd.):

2.7.3 Impairment of financial assets and contract assets (cont'd.)

2.7.3.2 Simplified approach for trade receivables, contract assets and finance lease receivables

For trade receivables, contract assets and finance lease receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

Grouping of instruments for ECL

Collective assessment
To measure ECL, trade receivables and contract assets are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment
Trade receivables, contract assets, other receivables and amounts due from subsidiaries which are in default or credit-impaired are assessed individually.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.8 Maintenance and overhaul

Leased aircraft

Where the Group has a commitment to maintain aircraft held under operating leases, provision is made during the lease term for the rectification obligations contained within the lease agreements. The provisions are based on estimated future costs of major maintenance checks and one-off costs incurred at the end of the lease by making appropriate charges to the income statement calculated by reference to the number of hours or cycles operated during the financial year.

2.9 Leases

Group as a lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties (land and buildings) for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 'Leases' not to separate the lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

i) ROU assets

ROU assets that are not investment properties are stated at cost, less accumulated depreciation and accumulated impairment loss. In addition, the ROU assets are adjusted for certain remeasurement of lease liabilities. ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life.

The principal annual depreciation rates are as follows:

Aircraft and spare engines	2 - 19 years
Land and building	2 - 30 years

ii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.9 Leases (cont'd.)

Group as a lessee (cont'd.)

iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

i) Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease.

ii) Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

iii) Sublease classification

When the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

The Group as an intermediate lessor accounts for the sublease as follows:

- If the sublease is classified as an operating lease, the original lessee continues to account for the lease liability and ROU asset on the head lease.

- If the sublease is classified as a finance lease, the original lessee derecognises the ROU asset on the head lease at the sublease commencement date and continues to account for the original lease liability. The original lessee, as the sublessor, recognises a net investment in the sublease and evaluates it for impairment.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.10 Inventories

Inventories which comprise consumables used internally for repairs and maintenance are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business, less all applicable variable selling expenses. In arriving at net realisable value, due allowance is made for all damaged, obsolete and slow-moving items.

2.11 Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

(a) There is 'an economic relationship' between the hedged item and the hedging instrument.

(b) The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

(c) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.11 Derivatives and hedge accounting (cont'd.)

Designation of a risk component of a hedged item is permitted when it is a separable identifiable component of the item, and the changes in the cash flows or the fair value of the item attributable to changes in the risk component is reliably measured.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'net fair value (loss)/gain on derivatives' (Note 8(d)).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss and presented separately after net operating profit.

When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory, or in depreciation in the case of property, plant and equipment.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'net fair value (loss)/gain on derivatives' (Note 8(d)).

2.12 Provisions

Provisions are recognised when the Group has a legal or constructive obligation, where the outflow of resources is probable and can be reliably estimated. Provisions are measured at the present value of the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.13 Redeemable Convertible Unsecured Islamic Debt Securities

Redeemable convertible unsecured Islamic debt securities ("RCUIDS") issued by the Company are separated into liability and equity components.

On issuance of the RCUIDS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. The amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the RCUIDS, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.14 Current and deferred income tax

Taxation comprises of current and deferred tax.

The current tax charge is based on the expected income tax payable and is measured using applicable tax rates.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is not recognised on goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.15 Employee benefits

2.15.1 Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by the employees of the Group.

2.15.2 Defined contribution retirement plan

The Group's contributions to the Employees' Provident Fund are charged to income statement in the financial year to which they relate. Once the contributions have been paid, the Group has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.15.3 Defined benefit plan

The Group operates defined benefit pension plans in Indonesia and Philippines, which require contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'staff costs' in the income statements:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.15 Employee benefits (cont'd.)

2.15.4 Share-based payments

Employees of the Company and certain subsidiary companies of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the share options at the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserves over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's and the Group's best estimate of the number of share options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for share options that do not ultimately vest because market performance and/or service conditions have not been met. The proceeds received net of any directly attributable transaction costs and the employee share option reserve relating to the vested options are transferred to share capital when the share options are exercised.

2.16 Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognises revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

2.16.1 Engineering services

Revenue from services rendered are recognised as performance obligations are satisfied. The Group's contract with customers where the Group is contracted to provide repair and maintenance services, mainly contain one performance obligation and are satisfied over time as work progresses.

Revenue from these contracts is based on stage of completion. The stage of completion is measured by reference to the proportion of physical completion based on technical milestones defined under the contract (i.e. assessed by reference to assessment of work performed) and taking into account the nature of activities and its associated risk.

2.16.2 Freight services

Freight revenue is a distinct performance obligation and recognised upon the completion of services rendered net of discounts.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.16 Revenue and other income (cont'd.)

2.16.3 Rental income and brand license

Rental income and brand license fees are recognised on an accrual basis.

2.16.4 Interest income

Interest income is recognised using the effective interest method.

2.16.5 Sale of loyalty points

The Group operates a frequent flyer programme where members accumulate points for purchases made which entitle them to discounts on future purchases. Revenue from the award points is recognised as deferred revenue (included in trade and other payables) upon issuing the points, and recognised upon redemption of loyalty points by members. The amount of revenue recognised is computed based on the number of points redeemed and the redemption value of each point which is calculated on a weighted average basis. Award points issued before 1 June 2019 will expire by 36 months upon date of issuance and points issued after 1 June 2019 will expire 24 months upon date of issuance. Revenue associated with the sale of points to merchant partners under the customer loyalty programme is recognised when the obligation is completed.

Included in trade and other payables is the deferred breakage. Breakage represents the estimated loyalty points that are not expected to be redeemed by members. The amount of revenue recognised related to deferred breakage is based on the number of loyalty points redeemed in a period in relation to the total number expected to be redeemed, which factors in the Group estimate for the breakage. Breakage is estimated by management based on the terms and conditions of membership and historical accumulation and redemption patterns, as adjusted for changes to any terms and conditions that may affect members' redemption practices.

2.16.6 Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of engineering contracts, contract asset is the excess of cumulative revenue earned over the billings to-date.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.16 Revenue and other income (cont'd.)

2.16.6 Contract assets and liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. In the case of engineering contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers.

2.17 Foreign currencies

2.17.1 Functional and presentation currency

Ringgit Malaysia is the presentation currency of the Group and of the Company. Ringgit Malaysia is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

2.17.2 Transactions and balances

Foreign currency transactions and monetary items are translated into the functional currency using the exchange rates prevailing at the transaction dates and at the end of the reporting period, respectively. Foreign exchange differences arising therefrom and on settlement are recognised in profit or loss.

Foreign exchange differences arising from the translation of a monetary item designated as a hedge of net investment in a foreign operation are recognised in other comprehensive income in the consolidated financial statements until the net investment is disposed.

2.17.3 Translation of foreign currency financial statements

For consolidation purposes, the foreign operations' results are translated into the Group's presentation currency at average exchange rates for the financial year whilst the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the end of the reporting period. The resulting translation differences are recognised in other comprehensive income and accumulated in exchange reserve.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

2.17 Foreign currencies (cont'd.)

2.17.3 Translation of foreign currency financial statements (cont'd.)

Inter-company loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the net investment in the subsidiary. Translation differences arising therefrom are recognised in other comprehensive income and reclassified from equity to profit or loss upon repayment or disposal of the relevant entity.

Exchange reserve in respect of a foreign operation is recognised in profit or loss when control, joint control or significant influence over the foreign operation is lost. On partial disposal without losing control, a proportion of the exchange reserve in respect of the subsidiary is re-attributed to the non-controlling interest. The proportionate share of the cumulative translation differences is reclassified to profit or loss in respect of all other partial disposals.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.19 Assets held for sale, disposal groups and discontinued operations

Non-current assets or groups of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Similarly, liabilities directly associated with the disposal groups are also presented separately from other liabilities in the statement of financial position. The individual assets and liabilities of a subsidiary acquired exclusively for resale are not fair valued separately, instead, the net assets as a whole are measured at the lower of carrying amount and fair value less costs to sell with the impairment (if any) netted off against the assets.

Depreciation ceases when an asset is classified as an asset held for sale. Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group that is classified as a disposal group and represents a separate business or geographical segment, or is a subsidiary acquired exclusively for resale.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are explained below.

3.1 Impairment assessment of financial assets

The Group applies the MFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for all receivables (including intercompanies and related parties' balances).

The Group assesses the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition. The impairment allowances for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates specific to the debtors at the end of each reporting period.

3.2 Provision for aircraft maintenance and overhaul costs

The Group operates aircraft which are either owned or held under operating lease arrangement. In respect of the aircraft held under operating lease arrangements, the Group is contractually obligated to maintain the aircraft during the lease period and to redeliver the aircraft to the lessors at the end of the lease term, in certain pre-agreed conditions. Accordingly, the Group estimates the aircraft maintenance costs required to fulfil these obligations at the end of the lease period and recognise a provision for these costs at each reporting date.

A provision by its nature is more uncertain than most other items in the statement of financial position. The estimates of the outcome and financial effects are determined by the judgement of the management, supplemented by experience from similar transactions. Any revision in assumptions and estimations that causes a material effect to the provision would be adjusted prospectively in the financial statements.

3.3 Impairment assessment of intangible assets

Goodwill, landing rights and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash generating units to which goodwill and landing rights are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value and the key assumptions applied in the impairment assessment of goodwill are given in Note 17.

3.4 Classification as discontinued operations and disposal groups

In the previous financial year, the Group has assessed and concluded that the proposed intention to dispose off AirAsia Aviation Group Limited ("AAAGL") and AirAsia Berhad ("AAB") to AirAsia X Berhad ("AAX") met the Discontinued operations and disposal group requirements under MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", after having considered the status of the proposed disposals as well as the outcome of the approval by the Company's shareholders.

The details are disclosed in Note 42 to the financial statements.

4. REVENUE AND OTHER INCOME

(a) Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operation				
Revenue from contracts with customers:				
Logistics and freight services ("Teleport")	**1,215,221**	1,064,588	**-**	-
Online travel and e-commerce platform ("AirAsia MOVE")	**161,161**	265,446	**-**	-
Engineering services ("ADE")	**212,209**	82,103	**-**	-
Financial and other related services ("BigPay")	**30,891**	38,313	**-**	-
Brand licensing fees ("AirAsia Next")	**39,188**	-	**-**	-
Others	**208,269**	259,232	**-**	-
	1,866,939	1,709,682	**-**	-
Other revenue:				
Management fee (Note 39(a))	**-**	-	**10,000**	10,000
Dividend income	**-**	-	**3,468,577**	-
	1,866,939	1,709,682	**3,478,577**	10,000
Discontinued operation				
Aviation				
- passenger seat sales	**13,253,911**	15,261,587	**-**	-
- other passenger revenue	**3,270,719**	3,353,503	**-**	-
	16,524,630	18,615,090	**-**	-
Total revenue, representing revenue from contract with customers	**18,391,569**	20,324,772	**-**	-
Timing of revenue recognition				
- at a point of time	**16,947,024**	20,232,110	**-**	-
- over time	**1,444,545**	92,662	**-**	-
	18,391,569	20,324,772	**-**	-

Other passenger revenue includes ancillary income such as baggage fees, assigned seats, cancellations, documentation and other fees, and on-board sale of meals and merchandise.

4. REVENUE AND OTHER INCOME (CONT'D.)

(a) Revenue (cont'd.)

Revenue by reportable geographical segment is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	**9,474,579**	9,641,122	**3,478,577**	10,000
Philippines	**1,341,572**	1,679,466	**-**	-
Indonesia	**1,909,296**	2,269,266	**-**	-
Thailand	**5,495,221**	6,419,655	**-**	-
Others	**170,901**	315,263	**-**	-
	18,391,569	20,324,772	**3,478,577**	10,000

Salient terms of revenue from contracts with customers:

Aviation:	
- Schedule flights	Normally settled by cash and refunds for airport tax are claimable up to 6 months period of travel date.
- Charter flights	Full upfront payment before the flight.
- Freight services	Credit term of 30 days (2024: 30 days) from invoice date.
- Ancillary service	Normally settled by cash and generally no refunds.
Teleport	Credit term of 30 days (2024: 30 days) from invoice date.
AirAsia MOVE	Normally settled by cash and generally no refunds.
Engineering services	Credit term of 30 days (2024: 30 days) from invoice date.
Brand licensing fees	Credit term of 30 days from invoice date.

Contract balances are disclosed in Note 19 and remaining unfulfilled performance obligations are sales in advance are disclosed in Note 28.

4. REVENUE AND OTHER INCOME (CONT'D.)

(b) Other income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operation				
Brand ambassador service fee charged to a subsidiary (Note 39 (c))	-	-	**18,000**	18,000
Gain on disposal of subsidiaries	**11,320,177**	-	-	3,973
Gain on disposal of investment securities (Note 16)	**238**	-	-	-
Brand license fee charged to related parties (Note 39 (c))	-	15,296	-	-
Others	**11,366**	15,728	**82**	21
	11,331,781	31,024	**18,082**	21,994
Discontinued operation				
Brand license fee charged to related parties (Note 39 (c))	-	18,300	-	-
Optimisation of aircraft deliveries	-	590,040	-	-
Aircraft operating lease income				
- AirAsia X Berhad	-	22,290	-	-
Waiver of debts	-	246,126	-	-
Others	**108,210**	183,294	-	-
	108,210	1,060,050	-	-
Total other income	**11,439,991**	1,091,074	**18,082**	21,994

Other income ("others") includes commission income and advertising income.

5. STAFF COSTS AND DIRECTORS' REMUNERATION

(a) Staff costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operation				
Salaries, bonus, allowances and other employee benefits	**617,820**	616,228	**81,252**	52,286
Defined contribution retirement plan	**60,714**	56,806	**8,947**	5,582
Defined benefit plan	**1,388**	7,083	-	-
Share-based payments	-	1,904	-	573
	679,922	682,021	**90,199**	58,441
Discontinued operation				
Salaries, bonus, allowances and other employee benefits	**1,802,130**	1,930,771	-	-
Defined contribution retirement plan	**129,182**	140,406	-	-
Defined benefit plan	-	24,969	-	-
Share-based payments	**16,638**	2,975	-	-
	1,947,950	2,099,121	-	-
Total staff cost	**2,627,872**	2,781,142	**90,199**	58,441

Included in staff costs are Executive Directors' remunerations payable to the Directors of the Company as disclosed in the Note 5(b) below.

(b) Directors' remuneration

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company:				
Executive Directors				
- salaries, bonus, allowances and other employee benefits	**90,753**	32,265	**55,253**	32,265
- defined contribution plan	**11,343**	3,600	**7,083**	3,600
	102,096	35,865	**62,336**	35,865
Non-Executive Directors				
- fees	**2,158**	1,641	**2,158**	1,641
	104,254	37,506	**64,494**	37,506

5. STAFF COSTS AND DIRECTORS' REMUNERATION (CONT'D.)

(b) Directors' remuneration (cont'd.)

	Executive		Non-executive	
	2025	**2024**	**2025**	**2024**
Range of remuneration (RM)				
50,001 to 100,000	**-**	-	**-**	2
450,001 to 500,000	**-**	-	**1**	1
500,001 to 550,000	**-**	-	**-**	2
550,001 to 600,000	**-**	-	**3**	-
15,500,001 to 15,550,000	**-**	1	**-**	-
18,050,001 to 18,100,000	**-**	1	**-**	-
50,000,001 to 55,000,000	**2**	-	**-**	-

(c) Key Management Personnel

Key management personnel are categorised as senior management officers of the Group and of the Company.

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Salaries, bonus, allowances and other employee benefits	**107,440**	43,908	**62,171**	40,808
Defined contribution plan	**13,139**	4,357	**11,817**	3,940
	120,579	48,265	**73,988**	44,748

Included in the key management compensation are Executive Directors' remuneration for the financial year 2025 and 2024 which were approved by the Nomination and Remuneration Committee.

6. OTHER OPERATING EXPENSES

The following items have been charged/(credited) in arriving at other operating expenses:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Continuing operation				
Auditors' remuneration				
- audit fees	**2,568**	1,776	**419**	831
- non-audit fees	**8,614**	-	**25**	-
Amortisation expenses on intangible assets (Note 17)	**7,147**	8,216	**-**	-
Advertising costs	**119,955**	81,634	**3,723**	29
Fair value loss on investment securities (Note 16)	**7,654**	-	**-**	-
Impairment losses/(Reversal of impairment) on:				
- Investment in a subsidiary (Note 13)	**-**	-	**-**	238,257
- Trade and other receivables (Note 19)	**3,825**	7,591	**-**	-
- Amounts due from subsidiaries (Note 22)	**-**	-	**(30,296)**	504,132
- Property, plant and equipment (Note 11)	**2,288**	-	**-**	-
- Right-of-use assets (Note 31)	**1,654**	-	**-**	-
Loss on disposal of property, plant and equipment	**2,071**	756	**-**	-
Loss on disposal of subsidiaries (Note 42)	**-**	-	**2,129,651**	-
Rental of buildings	**3,366**	4,279	**398**	332
Rental of equipment	**3,088**	1,189	**19**	23
Discontinued operation				
Auditors' remuneration				
- audit fees	**3,255**	1,444	**-**	-
Advertising costs	**153,894**	76,339	**-**	-
Depreciation expenses on investment properties (Note 12)	**-**	1,095	**-**	-
Loss on disposal of property, plant and equipment	**-**	144	**-**	-
Impairment losses on:				
- Amounts due from related parties (Note 24)	**-**	127,044	**-**	-
Property, plant and equipment written off (Note 11)	**-**	151,043	**-**	-
Rental of buildings	**28,040**	14,842	**-**	-
Rental of equipment	**2,029**	940	**-**	-

7. AIRCRAFT FUEL EXPENSES, MAINTENANCE AND OVERHAUL, USER CHARGES, CONSUMABLES AND LOGISTIC EXPENSES

(a) Aircraft fuel expenses

Aircraft fuel expenses include fuel used by aircraft.

(b) Maintenance and overhaul

Maintenance and overhaul include maintenance related works on aircraft, the related consumables and aircraft maintenance provision.

(c) User charges

User charges include airport related charges, ground operational charges, aircraft insurance cost and inflight related expenses.

(d) Consumables

Consumables include materials used for repairs and maintenance works on aircraft.

(e) Logistic expenses

Logistic expenses include belly cargo space charges, freight charges, and ground handling costs.

8. FINANCE INCOME/(COSTS), FOREIGN EXCHANGE GAIN/(LOSS) AND NET FAIR VALUE (LOSS)/GAIN ON DERIVATIVES

(a) Finance income

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Continuing operation				
Interest income from:				
- deposits, cash and bank balances with licensed banks	**2,828**	1,424	**102**	80
- amounts due from subsidiaries	**-**	-	**50,994**	62,332
Effect of discounting on financial instruments	**-**	15	**-**	-
Others	**11,830**	-	**-**	-
	14,658	1,439	**51,096**	62,412
Discontinued operation				
Interest income from:				
- deposits, cash and bank balances with licensed banks	**5,734**	5,572	**-**	-
- finance lease receivables (Note 42 and 31)	**113,406**	8,372	**-**	-
Effect of discounting on financial instruments	**43,712**	1,219	**-**	-
Others	**-**	8,449	**-**	-
	162,852	23,612	**-**	-
	177,510	25,051	**51,096**	62,412

8. FINANCE INCOME/(COSTS), FOREIGN EXCHANGE GAIN/(LOSS) AND NET FAIR VALUE (LOSS)/GAIN ON DERIVATIVES (CONT'D.)

(b) Finance costs

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Continuing operation				
Interest expense:				
- borrowings	**(90,407)**	(47,413)	**(13,473)**	(4,846)
- lease liabilities (Note 31)	**(33,980)**	(18,149)	**-**	-
- provision of retirement benefits (Note 32)	**(187)**	(14)	**-**	-
RCUIDS profit payment (Note 29)	**(76,598)**	(81,027)	**(76,598)**	(81,027)
Others	**(7,998)**	(18,644)	**(6)**	(7)
	(209,170)	(165,247)	**(90,077)**	(85,880)
Discontinued operation				
Interest expense:				
- borrowings	**(580,748)**	(616,952)	**-**	-
- lease liabilities (Note 31)	**(959,739)**	(930,150)	**-**	-
- provision of retirement benefits (Note 42 and 32)	**(4,430)**	(3,064)	**-**	-
Effect of discounting on financial instruments	**-**	(2,360)	**-**	-
Others	**-**	(46,921)	**-**	-
	(1,544,917)	(1,599,447)	**-**	-
	(1,754,087)	(1,764,694)	**(90,077)**	(85,880)

8. FINANCE INCOME/(COSTS), FOREIGN EXCHANGE GAIN/(LOSS) AND NET FAIR VALUE (LOSS)/GAIN ON DERIVATIVES (CONT'D.)

(c) Foreign exchange gain/(loss)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operation				
Realised	**(16,020)**	(2,964)	**199**	15
Unrealised	**30,506**	(34,623)	**16,429**	(755)
	14,486	(37,587)	**16,628**	(740)
Discontinued operation				
Realised	**61,834**	40,424	**-**	-
Unrealised	**1,015,207**	172,232	**-**	-
	1,077,041	212,656	**-**	-
	1,091,527	175,069	**16,628**	(740)

(d) Net fair value (loss)/gain on derivatives

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operation				
Fair value loss on warrants,net	**(2,519)**	-	**-**	-
Discontinued operation				
(Loss)/Gain from foreign exchange forward contracts	**(10,280)**	4,779	**-**	-
	(12,799)	4,779	**-**	-

9. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operation				
Current taxation				
- Malaysian tax	**9,753**	1,325	**-**	-
- foreign tax	**6,052**	317	**-**	-
Deferred tax (Note 18)	**(12,852)**	(11,045)	**-**	-
	2,953	(9,403)	**-**	-

9. TAXATION (CONT'D.)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Discontinued operation				
Current taxation				
- malaysian tax	**2,499**	4,025	**-**	-
- foreign tax	**12,868**	9,373	**-**	-
Deferred tax (Note 42 and 18)	**(7,402)**	65,380	**-**	-
	7,965	78,778	**-**	-
Total taxation	**10,918**	69,375	**-**	-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current taxation				
- current financial year	**31,107**	26,529	**-**	-
- under/(over)provision of income tax in respect of previous years	**65**	(11,489)	**-**	-
	31,172	15,040	**-**	-
Deferred taxation (Note 42 and 18)				
- origination and reversal of temporary differences	**(8,924)**	61,113	**-**	-
- overprovision of deferred tax in respect of previous years	**(11,330)**	(6,778)	**-**	-
	(20,254)	54,335	**-**	-
Total taxation	**10,918**	69,375	**-**	-

9. TAXATION (CONT'D.)

The explanation of the relationship between taxation and loss before taxation is as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Profit/(Loss) before taxation				
- continuing operation	**10,528,496**	(891,094)	**1,222,157**	(831,894)
- discontinued operation	**2,916,158**	500,001	**-**	-
	13,444,654	(391,093)	**1,222,157**	(831,894)
Tax calculated at Malaysian tax rate of 24% (2024: 24%)	**3,226,717**	(93,862)	**293,318**	(199,655)
Tax effects of:				
- expenses not deductible for tax purposes	**94,839**	235,507	**546,430**	77,695
- income not subject to tax	**(3,181,158)**	(84,912)	**(832,458)**	-
- effect of different rates in foreign jurisdictions	**1,115**	(21,638)	**-**	-
- associates' results reported net of tax	**5,548**	923	**-**	-
- (utilisation of previously unrecognised deferred tax asset)/deferred tax assets not recognised, net				
- continuing operations	**(9,787)**	68,029	**(7,290)**	121,960
- discontinued operations	**(115,091)**	(16,405)	**-**	-
- under/(over)provision of income tax in respect of previous years	**65**	(11,489)	**-**	-
- overprovision of deferred tax in respect of previous years	**(11,330)**	(6,778)	**-**	-
Taxation	**10,918**	69,375	**-**	-

Pillar Two Taxes

On 2 June 2023, the Malaysian Accounting Standard Board ("MASB") has issued the Amendments to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules. This pronouncement is effective from annual period beginning on or after 1 January 2023. On 29 December 2023, Pillar Two legislation has been enacted in Malaysia, which will come into effect on 1 January 2025.

The Group has adopted the Amendments to MFRS 112 that introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes.

The Group confirms that it falls within the scope of the Organisation for Economic Co-operation and Development (OECD)'s Pillar Two rules, as its consolidated annual revenue exceeds RM3.9 billion.

The Group had performed a preliminary assessment of its potential exposure to Pillar Two income taxes, including the application of safe harbour provisions for selected jurisdictions where the rules are effective in 2024, specifically Australia, Korea and Vietnam.

Based on analysis using 2024 country-by-country reporting and 2025 financial information, the Group generally meets the Transitional Country-by-Country Reporting Safe Harbour ("TCSH") criteria in the relevant jurisdictions. Consequently, the Group does not expect any material top-up tax exposure in these jurisdictions for the financial year ended 2025.

10. EARNING/(LOSS) PER SHARE

Basic

The basic earning/(loss) per share for the financial year is calculated by dividing the Group's profit/(loss) attributable to owners of the parent, divided by the weighted average number of shares, calculated as follows:

	Group	
	2025	**2024**
Net profit/(loss) for the financial year attributable to owners of the parent (RM'000)		
- continuing operations	**10,517,544**	(896,003)
- discontinued operations	**2,500,514**	394,757
Weighted average number of ordinary shares in issue ('000)	**4,342,226**	4,286,432
Basic earnings/(loss) per share (sen)		
- continuing operations	**242.2**	(20.9)
- discontinued operations	**57.6**	9.2

Diluted

The diluted earnings/(loss) per share for the financial year is calculated by dividing the Group's profit/(loss) attributable to owners of the parent, divided by the weighted average number of shares that would have been in issue upon full exercise of the options under the RCUIDS, warrants and ESOS granted, calculated as follows:

	Group	
	2025	**2024**
Net profit/(loss) for the financial year attributable to owners of the parent (RM'000)		
- continuing operations	**10,517,544**	(896,003)
- discontinued operations	**2,500,514**	394,757
Weighted average number of ordinary shares in issue ('000)	**4,342,226**	4,286,432
Effect of conversion of RCUIDS ('000)	**2,910,373**	866,975
Effect of warrants exercise ('000)	**640,035**	649,670
Weighted average number of ordinary shares in issue for diluted earnings/(loss) per share computation ('000)	**7,892,634**	5,803,077
Diluted earnings/(loss) per share (sen)		
- continuing operations	**133.3**	(15.4)
- discontinued operations	**31.7**	6.8

There has been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

	At 1 January 2025 RM'000	Additions RM'000	Disposals RM'000	Reclassification[1] RM'000	Depreciation charge RM'000	Impairment loss RM'000	Exchange differences RM'000	At 31 December 2025 RM'000
Group								
Carrying amount								
Aircraft spares	104,561	38,759	(5,271)	-	(18,300)	-	(152)	119,597
Buildings	131	5,889	-	-	(1,566)	-	(196)	4,258
Motor vehicles	6,030	6,427	(5,781)	-	(1,648)	-	(12)	5,016
Office equipment, furniture and fittings	10,320	20,987	(2,029)	2,677	(15,705)	-	(1,400)	14,850
Office renovation	22,250	11,822	(913)	-	(2,318)	(2,288)	(94)	28,459
Operating plant and ground equipment	67,007	64,501	(1,458)	-	(18,745)	-	(44)	111,261
In-flight equipment	-	299	-	-	(89)	-	-	210
Training equipment	44	9	-	-	(15)	-	-	38
Work in progress	17,857	14,430	(583)	(2,677)	-	-	(427)	28,600
	228,200	163,123	(16,035)	-	(58,386)	(2,288)	(2,325)	312,289

[1] Work in progress completed during the financial year were reclassified to respective asset classes.

	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Carrying amount RM'000
Group (cont'd.)				
At 31 December 2025				
Aircraft spares	175,021	(55,424)	-	119,597
Buildings	4,258	-	-	4,258
Motor vehicles	8,999	(3,983)	-	5,016
Office equipment, furniture and fittings	109,372	(93,760)	(762)	14,850
Office renovation	44,711	(13,964)	(2,288)	28,459
Operating plant and ground equipment	157,319	(46,058)	-	111,261
In-flight equipment	334	(124)	-	210
Training equipment	75	(37)	-	38
Work in progress	28,600	-	-	28,600
	528,689	(213,350)	(3,050)	312,289

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	At 1 January 2024 RM'000	Additions RM'000	Disposals RM'000	Written off (Note 6) RM'000	Reclassification[1] RM'000	Depreciation charge[2] RM'000	Exchange differences RM'000	Transferred to ROU assets (Note 31) RM'000	Transferred to disposal group (Note 42) RM'000	At 31 December 2024 RM'000
Group										
Carrying amount										
Aircraft engines, airframes and service potential	403,005	70,649	(13,100)	-	9,757	(17,791)	(4,720)	-	(447,800)	-
Aircraft spares	194,706	78,769	(17,949)	-	-	(33,212)	(5,207)	-	(112,546)	104,561
Aircraft fixtures and fittings	4,718	10,951	-	-	-	(939)	(3,375)	-	(11,355)	-
Freehold land	108,760	-	-	-	-	-	(3,783)	-	(104,977)	-
Buildings	341,233	114,788	(711)	-	162,265	(11,897)	(8,440)	(303,603)	(293,504)	131
Motor vehicles	8,788	9,162	(472)	-	-	(2,605)	(39)	-	(8,804)	6,030
Office equipment, furniture and fittings	112,801	32,239	(2,585)	(78,737)	28	(15,699)	(606)	-	(37,121)	10,320
Office renovation	20,731	25,587	(288)	-	839	(6,517)	(440)	-	(17,662)	22,250
Simulator equipment	121	-	-	-	-	(7)	-	-	(114)	-
Operating plant and ground equipment	49,288	49,857	(7,226)	-	-	(15,240)	(189)	-	(9,483)	67,007
In-flight equipment	-	206	-	(1)	-	(171)	(12)	-	(22)	-
Training equipment	3,750	1,860	-	-	-	(1,306)	(128)	-	(4,132)	44
Work in progress	332,462	10,571	-	(72,305)	(172,889)	-	(67)	-	(79,915)	17,857
	1,580,363	404,639	(42,331)	(151,043)	-	(105,384)	(27,006)	(303,603)	(1,127,435)	228,200

[1] Work in progress completed during the financial year were reclassified to respective asset classes.

[2] Depreciation charge arising from continuing operations and discontinued operations amounted to RM46,132,000 and RM59,252,000 respectively.

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Transferred to ROU assets (Note 31) RM'000	Transferred to disposal group (Note 42) RM'000	Carrying amount RM'000
Group (cont'd.)						
At 31 December 2024						
Aircraft engines, airframes and service potential	850,414	(393,782)	(8,832)	-	(447,800)	-
Aircraft spares	539,210	(310,284)	(11,819)	-	(112,546)	104,561
Aircraft fixtures and fittings	238,307	(221,567)	(5,385)	-	(11,355)	-
Freehold land	104,977	-	-	-	(104,977)	-
Buildings	677,862	(80,624)	-	(303,603)	(293,504)	131
Motor vehicles	63,290	(48,456)	-	-	(8,804)	6,030
Office equipment, furniture and fittings	366,377	(318,103)	(833)	-	(37,121)	10,320
Office renovation	153,892	(113,980)	-	-	(17,662)	22,250
Simulator equipment	238	(124)	-	-	(114)	-
Operating plant and ground equipment	161,906	(85,416)	-	-	(9,483)	67,007
In-flight equipment	5,152	(5,130)	-	-	(22)	-
Training equipment	13,342	(9,166)	-	-	(4,132)	44
Work in progress	97,772	-	-	-	(79,915)	17,857
	3,272,739	(1,586,632)	(26,869)	(303,603)	(1,127,435)	228,200

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	At 1 January 2025 RM'000	Additions RM'000	Depreciation charge RM'000	At 31 December 2025 RM'000
Company				
Carrying amount				
Motor vehicles	**38**	**-**	**(17)**	**21**
Office equipment, furniture and fittings	**14**	**7**	**(6)**	**15**
Office renovation	**839**	**1**	**(204)**	**636**
	891	**8**	**(227)**	**672**

	At 1 January 2024 RM'000	Additions RM'000	Depreciation charge RM'000	At 31 December 2024 RM'000
Company				
Carrying amount				
Motor vehicles	55	-	(17)	38
Office equipment, furniture and fittings	6	11	(3)	14
Office renovation	147	854	(162)	839
	208	865	(182)	891

Included in property, plant and equipment of the Group are:

	Group	
	2025 RM'000	2024 RM'000
Aircraft spares, engines and engineering equipment pledged as security for borrowings	**241,066**	372,201
Freehold land and building pledged as security for borrowings	**-**	257,440
Total property, plant and equipment pledged as security for borrowings	**241,066**	629,641

As at 31 December 2025, the amount above are pledged as a security for borrowing secured by a subsidiary (Note 29).

Impairment loss on property, plant and equipment of the Group of RM2,288,000 was recognised during the financial year due to decline in operation of a subsidiary of the Group.

12. INVESTMENT PROPERTIES

	Group	
	2025 RM'000	2024 RM'000
Carrying amount		
At 1 January	-	77,379
Additions	-	111
Depreciation (Note 6)	-	(1,095)
Transferred to disposal group (Note 42)	-	(74,708)
Exchange differences	-	(1,687)
At 31 December	-	-

The fair value of investment properties as at 31 December 2024 amounted to RM75 million. The fair value has been determined based on valuation performed by an accredited independent valuer. The market prices of the land and building held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted investments, at cost		
At 1 January	**647,080**	6,720,126
Additions (Note 13(i) and Note 13(ii))	**1,278**	368,952
Impairment (Note 13(iii))	-	(238,257)
Disposals (Note 13(iv))	-	(8,322)
Deemed investment (Note 13(v))	-	4,116
Transferred to assets held for sale (Note 42)	-	(6,199,535)
At 31 December	**648,358**	647,080

As at 31 December 2025, shares in subsidiaries with a carrying amount of RM265.7 million (2024: RM265.7 million) are pledged as a security for borrowing secured by subsidiaries (Note 29).

As at 31 December 2025, shares in subsidiaries with a carrying amount of RM361.9 million (2024: nil) are pledged as a security for borrowing secured by a related party.

As at 31 December 2024, shares in subsidiaries with a carrying amount of RM361.9 million are pledged as a security for borrowing secured by a subsidiary that been reclassified as liabilities held for sale.

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(i) Additions during the financial year

(a) During the financial year, the Company invested in 4,900 ordinary shares, representing 49% equity interest in PT Santan Food Services Indonesia ("STSI") for a total consideration of RM1,277,526 (equivalent to IDR 4.9 billion).

(b) During the financial year, the Company incorporated Wano Connect Sdn. Bhd. ("Wano") with 1 ordinaryshares of RM1 per share.

(c) During the financial year, the Company acquired Outclass Education Technology and Employment Services Sdn. Bhd. ("Outclass") from Brand AA Sdn. Bhd. ("Brand AA") for a consideration amounting to RM1 in exchange for 11.3 million ordinary share of RM1 per share.

(ii) Additions in the previous financial year

(a) During the previous financial year, the Company incorporated Capital A International ("CAPI") with 1 ordinary shares of USD1 per share.

(b) During the previous financial year, the Company acquired AirAsia Move Sdn. Bhd. ("AirAsia Move") from Move Digital Sdn. Bhd. ("Move Digital") for a total consideration amounting to RM359,290,000 in exchange for 371,213,224 ordinary share of RM1 per share.

(c) During the previous financial year, the Company capitalised RM4.4 million due from Asia Digital Engineering Sdn. Bhd. ("ADE") in return of 4.4 million shares at RM1 per share issued by ADE to the Company.

(d) During the previous financial year, the Company capitalised the assignment of debts from Redbeat Capital Sdn. Bhd. ("RBC") to the Company amounting to RM5.2 million in return of 5.2 million shares at RM1 per share issued by RBC to the Company.

(iii) Impairment in the previous financial year

During the previous financial year, the Group recognised an impairment loss of RM238 million on its investment in Move Digital. The write-down was mainly driven by the decline in the financial performance of Move Digital's subsidiary, BigPay Pte. Ltd. ("BigPay"), due to stiff competitive landscape of the e-wallet and financial services industry. This impairment was recorded in the income statement as other operating expenses.

(iv) Disposals in the previous financial year

(a) During the previous financial year, the Company disposed Brand AA to CAPI for a total consideration amounting to RM2 in exchange for 2 ordinary shares of RM1 per share.

(b) During the previous financial year, the Company disposed AirAsia SEA Sdn. Bhd. ("AASEAMY") to Capital Aviation Services Sdn. Bhd. ("CAPAS") for a total consideration amounting to RM11,972,616 in exchange for 8,000,000 ordinary shares of RM1 per share, resulting in a gain on disposal of a subsidiary amounting to RM3,972,616 as disclosed in Note 4(b).

(c) During the previous financial year, the Company disposed Santan Food Services Sdn. Bhd. ("SFS") to CAPAS for a total consideration amounting to RM322,242 in exchange for 322,002 ordinary shares of RM1 per share.

(v) Deemed investment

The Company issued ESOS as disclosed in Note 34 to the employees of the Company and its subsidiaries. The ESOS issued to the employees of the subsidiaries is a deemed investment in these subsidiaries which had paid the employees in lieu of their services in shares of the Company.

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of entity	Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Directly held by the Company				
AirAsia Berhad ("AAB")+	Malaysia	-	100	Commercial air transport services
Move Digital Sdn. Bhd. ("Move Digital")+	Malaysia	**100**	100	Investment holding
AirAsia SEA Ltd+	Thailand	**99.99**	100	Management services
AirAsia Aviation Group Ltd ("AAAGL")+	Malaysia	-	100	Investment holding
Asia Digital Engineering Sdn. Bhd. ("ADE")+	Malaysia	**100**	100	Providing engineering services
AirAsia Data Holdings Inc	British Virgin Islands	**100**	100	Investment holding
Wano Connect Sdn. Bhd.+	Malaysia services	**100**	-	Tour and travel
Outclass Education Technology and Employment Services Sdn. Bhd. ("Outclass")+	Malaysia	**100***	-	Brand and intellectual property licensing, development and merchandising
Capital Aviation Services Sdn. Bhd. ("CAPAS")+	Malaysia	**100**	100	Investment holding
Fleet Consolidated Pte Ltd	Singapore	**100**	100	Renting of air transport equipment
Redbeat Capital Sdn. Bhd. ("RBC")	Malaysia	**100**	100	Investment holding
AirAsia Magic Sdn. Bhd.+	Malaysia	**100**	100	Provision of drone training and related drone services
Teleport Everywhere Pte. Ltd. ("TES")+@	Singapore	**76.86#**	93.48	Freight transport arrangement
Capital A International ("CAPI")	Cayman Islands	**100**	100	Investment holding
AirAsia Move Sdn Bhd ("AirAsia Move")+	Malaysia	**100**	100	Investment holding

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of entity	Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by AAB				
AirAsia (Mauritius) Limited+	Mauritius	-	100	Providing aircraft leasing facilities to Thai AirAsia Co Ltd
AirAsia Corporate Services Limited+	Malaysia	-	100	Facilitate business transactions for AirAsia Group with non-resident goods and service
Asia Aviation Capital Limited ("AAC")+	Malaysia	-	100	Providing aircraft leasing facilities
AirAsia RB 1 Ltd+	Malaysia	-	100	Investment holding
Held by Move Digital				
Big Pay Pte Ltd ("BigPay")	Singapore	**99.56**	99.56	Investment holding
RedTix Sdn. Bhd. ("RedTix")	Malaysia	**75**	75	Event ticketing business
RedBeat Ventures Inc	United States	**100**	100	Dormant
AirAsia Technology Centre Singapore Pte Ltd+	Singapore	**100**	100	Research and experimental development on IT, development of software for cybersecurity
Held by AAAGL				
AA Com Travel Philippines Inc+	Philippines	-	99.99*	Tour and travel services
AirAsia Inc ("PAA")+	Philippines	-	99.99	Commercial air transport services
PT AirAsia Indonesia TBK ("AAID")+	Indonesia	-	46.25	Investment holding
AirAsia (Guangzhou) Aviation Service Ltd Co ("AGZ")+	China	-	100	Aviation and commercial services
AirAsia Europe Ltd+	United Kingdom	-	100	Dormant
Asia Aviation Public Company Limited ("AAV")+	Thailand	-	40.71	Investment holding
AirAsia Aviation Management Services Sdn. Bhd.+	Malaysia	-	100	Aviation management services and information services
AirAsia (Cambodia) Co Ltd+	Cambodia	-	51	Commercial air transport services

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of entity	Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by ADE				
ADE Asset One Sdn. Bhd.^	Malaysia	**100**	100	Providing engineering services
ADE Asset Two Sdn. Bhd.^	Malaysia	**100**	100	Providing engineering services
ADE (Cambodia) Co Ltd^	Cambodia	**60**	60	Providing engineering services
ADE Labuan Ltd	Malaysia	**100**	100	Investment holding
ADE, Philippines Inc+	Philippines	**99.99**	99.99	Providing engineering services
Asia Digital Engineering (Thailand) Co^	Thailand	**100**	100	Providing engineering services
PT Asia Digital Engineering Indonesia^	Indonesia	**100**	100	Providing engineering services
Held by CAPAS				
AirAsia SEA Sdn. Bhd. ("AASEAMY")+	Malaysia	**100**	100	To provide shared services and outsourcing for its affiliates
Santan Food Services Sdn. Bhd. ("SFS")+	Malaysia	**100**	100*	Food and beverages
Capital A Consultancy Sdn. Bhd.+	Malaysia	**100**	100	Providing consulting service
Held by RBC				
RedBeat Capital 1, LLC	Cayman Islands	**100**	100	Dormant
AirAsia Mobile Sdn. Bhd.+	Malaysia	**100**	100*	Telecommunication resellers
Held by TES				
Teleport Commerce Malaysia Sdn. Bhd. ("TCM")+	Malaysia	**76.86**	93.48	Logistics business
Teleport Commerce India Pvt Ltd^	India	**51.50**	62.63	Logistics business
PT Teleportasi Bisnis Indonesia+	Indonesia	**51.50**	62.63	Logistics business
Freightchains Technologies Pte Ltd+	Singapore	**69.17**	84.13	Research and development arm of TCM
Delivereat Sdn. Bhd.	Malaysia	**76.86**	93.48	Online food ordering and delivery services

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of entity	Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by TES (cont'd.)				
Teleport Holdings Sdn. Bhd. ("THSB")	Malaysia	**76.86**	93.48	Investment management, cargo, logistics and delivery services
Teleport Terminals Sdn. Bhd.+	Malaysia	**76.86**	93.48	Dormant
Teleport Commerce Philippines, Inc+	Philippines	**53.80**	65.44	Logistics business
Teleport (Thailand) Co Ltd+	Thailand	**37.66**	45.81	Logistics business
Held by CAPI				
Brand AA Sdn. Bhd. ("BAA")+	Malaysia	**100**	100*	Brand and intellectual property licensing, development and merchandising
Aether Merger Sub Inc	USA	**100**	100	Investment holding
Held by BAA				
Airasia Entertainment Sdn. Bhd.+	Malaysia	**100**	-	Creative, arts and entertainment activities
Held by AirAsia Move				
Move Travel Sdn. Bhd. ("MOVE")+	Malaysia	**100**	100	Tour and travel services
Move Duty Free Sdn. Bhd.+	Malaysia	**100**	100	Inflight shop
AirAsia Ride Sdn. Bhd.+	Malaysia	**100**	100	E-hailing services
Santan Food Sdn. Bhd. ("STF")+	Malaysia	**100**	100	Trading in coffee and tea related products
BIGLIFE Sdn. Bhd. ("BIG")+	Malaysia	**100**	100	Financial services and managing customer loyalty points
AirAsia SuperApp (Thailand) Co Ltd^	Thailand	**100**	100	Provision of mobile application services
AirAsia Technology Centre India Pvt Ltd^	India	**100**	100	Consultancy and services in the areas of information, technology design, development and implementation
AirAsia SuperApp LLC	Korea	**100**	100	Tour and travel services loyalty points
Ikhlas Com Travel Sdn. Bhd. ("Ikhlas")+	Malaysia	**60***	-	Tour and travel services

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of entity	Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by AAC				
Rouge Aircraft 1 Limited+	Labuan	-	100	Providing supporting services to air transport
Held by BigPay				
BigPay Malaysia Sdn. Bhd.+	Malaysia	**99.56**	99.56	Provider of financial services
BigPay Singapore Pte Ltd	Singapore	**99.56**	99.56	Provider of financial services
BigPay (Thailand) Ltd+	Thailand	**99.56**	99.56	Dormant
BigPay Later Sdn. Bhd.+	Malaysia	**99.56**	99.56	Provider of financial services
BPB Technologies Sdn. Bhd.+	Malaysia	**99.56**	99.56	Dormant
BigPay Capital Sdn. Bhd.+	Malaysia	**99.56**	99.56	Dormant
BigPay Philippines, Inc	Philippines	**99.56**	99.56	Dormant
Held by Redtix				
Rokki Media Holdings Sdn. Bhd.	Malaysia	**75**	75	Dormant
Held by PAA				
Philippines AirAsia Inc ("PAAI")+	Philippines	-	99.74	Commercial air transport services
Asiawide Airways Inc+	Philippines	-	99.99	Dormant
Held by AAID				
PT Indonesia AirAsia ("IAA")+	Indonesia	-	47.43	Commercial air transport services
Held by IAA				
PT Garda Tawang Reksa Indonesia ("GTRI")+	Indonesia	-	31.78	Provision of airport related services
Held by AAV				
Thai AirAsia Co. Ltd. ("TAA")+	Thailand	-	40.71	Commercial air transport services
Held by TAA				
Asia Aviation Center Co Ltd+	Thailand	-	40.71	Dormant

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of entity	Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by SFS				
PT Santan Food Services Indonesia	Indonesia	**100**	100	Food and beverages
Santan Food Services Philippines Corp+	Philippines	**99.99**	-	Food and beverages
Held by TCM				
Teleport Platform Sdn. Bhd. ("TPSB")+	Malaysia	**76.86**	93.48	Facilitation of logistics and payment services for cross border e-commerce
Held by TPSB				
Teleport Platforms Pte Ltd+	Singapore	**76.86**	93.48	Online retail sales
Held by THSB				
Teleport Hong Kong Co Ltd ("TLPHK")+	Hong Kong, China	**76.86**	93.48	Logistics business
Held by TLPHK				
Teleport Commercial Services (Shenzhen) Ltd	China	**76.86**	93.48	Logistics business
Held by STF				
Ourfarm Asia Sdn. Bhd.+	Malaysia	**100**	100	Wholesale of meat, fish, fruits, vegetables, flowers and plants
Held by BIG				
BIGLIFE Digital Singapore Pte Ltd^	Singapore	**100**	100	Marketing and distribution of loyalty programme
BIGLIFE (Thailand) Co Ltd^	Thailand	**49**	49	Marketing and distribution of loyalty programme
PT BIGLIFE Digital Indonesia^	Indonesia	**100**	100	Marketing and distribution of loyalty programme
BIGLIFE Hong Kong Co Ltd^	Hong Kong, China	**100**	100	Dormant
BIGLIFE Philippines Inc	Philippines	**100**	100	Marketing and distribution of loyalty programme
BIGLIFE Vietnam Co Ltd	Vietnam	**100**	100	Marketing and distribution of loyalty programme

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of entity	Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by MOVE				
Rokki Sdn. Bhd. ("Rokki")+	Malaysia	**100**	100	Trading of multimedia content and equipment
PT Move Travel Indonesia^	Indonesia	**100**	100	Tour and travel services
Move Travel (Thailand) Ltd^	Thailand	**100**	100	Tour and travel services
AirAsia Move Travel Pte Ltd	Singapore	**100**	100	Tour and travel services
AACOM Australia Pty Ltd	Australia	**-**	100	Tour and travel services
Move Travel Hong Kong Ltd ("MTHK")^	Hong Kong, China	**100**	100	Tour and travel services
Move Travel Philippines, Inc^	Philippines	**99.99**	99.99	Tour and travel services
AirAsia Move Travel Technology (Hainan) Co Ltd	China	**100**	100	Tour and travel services
Airasia Com (Vietnam) Co Ltd^	Vietnam	**100**	100	Tour and travel services
Airasia SuperApp Taiwan Ltd	Taiwan, China	**100**	100	Tour and travel services
Ikhlas	Malaysia	**-***	60*	Tour and travel services
Held by MTHK				
AirAsia Com Guangzhou Co Ltd^	China	**100**	100	Tour and travel services

+ *Audited by a member of BDO Global.*
^ *Audited by a firm other than BDO PLT.*
* *Transferred within the Group.*
# *The Group's effective equity interest in TES decreased following the disposal of AAB and AAAGL, as AAB and TAA held direct interests of 14.17% and 6.02% in TES, respectively.*
@ *Move Digital holds a 11.45% equity interest in TES in trust for the benefit of IAA and PAA.*

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name of entity	Country of incorporation	Effective non-controlling interests 2025 %	Effective non-controlling interests 2024 %
IAA	Indonesia	-	53.75%
AAV	Thailand	-	59.29%

	Group 2025 RM'000	Group 2024 RM'000
Accumulated balances of material non-controlling interests:		
IAA	-	(1,951,740)
AAV	-	679,862
Other individually immaterial subsidiaries	**(33,101)**	31,098
	(33,101)	(1,240,780)
(Loss)/profit allocated to material non-controlling interests:		
IAA	-	(131,965)
AAV	-	164,456
Other individually immaterial subsidiaries	**7,999**	8,287
	7,999	40,778
Total comprehensive income/(loss) allocated to material non-controlling interests:		
IAA	-	(132,902)
AAV	-	124,745
Other individually immaterial subsidiaries	**913**	45,934
	913	37,777

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Material partly-owned subsidiaries (cont'd.)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

Summarised income statements as at 31 December are as follows:

	2025		2024	
	IAA RM'000	AAV RM'000	IAA RM'000	AAV RM'000
Revenue	-	-	2,278,004	6,580,377
Depreciation and amortisation	-	-	(253,814)	(531,094)
Interest income	-	-	412	10,347
Interest expense	-	-	(121,684)	(336,374)
(Loss)/profit before taxation	-	-	(436,792)	541,589
Tax expense	-	-	(951)	(91,016)
Net (loss)/profit for the financial year	-	-	(437,743)	450,573
Total comprehensive (loss)/income	-	-	(439,506)	384,399
Attributable to non-controlling interests	-	-	(236,234)	227,910

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

	2025		2024	
	IAA RM'000	AAV RM'000	IAA RM'000	AAV RM'000
Non-current assets	-	-	1,463,168	78,505,603
Current assets	-	-	120,043	2,032,653
Non-current liabilities	-	-	(1,668,502)	(4,579,840)
Current liabilities	-	-	(2,527,685)	(3,811,257)
Net (liabilities)/assets	-	-	(2,612,976)	72,147,159

Summarised cash flow information for the year ended 31 December are as follows:

	2025		2024	
	IAA RM'000	AAV RM'000	IAA RM'000	AAV RM'000
Operating activities	-	-	255,393	967,509
Investing activities	-	-	(9,459)	(109,118)
Financing activities	-	-	(246,140)	(733,703)
Net (decrease)/increase in cash and cash equivalents	-	-	(206)	124,688

14. INVESTMENT IN A JOINT VENTURE

	Group	
	2025 RM'000	2024 RM'000
Unquoted investments, at cost	**2,025**	2,025
Share of post-acquisition loss	**(2,025)**	(2,025)
	-	-

The joint venture listed below has share capital consisting solely of ordinary shares, which are indirectly held by the Group:

Name of entity	Principal place of business/country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by MOVE				
RedRecords Sdn. Bhd.^	Malaysia	**50**	50	Music-based entertainment

^ *Audited by a firm other than BDO PLT.*

The joint venture is not material to the Group. Accordingly, the disclosure requirements of MFRS 12, Disclosure of interests in Other Entities, are not presented.

15. INVESTMENT IN ASSOCIATES

	Group	
	2025 RM'000	2024 RM'000
Unquoted investments, at cost	**7**	607,364
Accumulated impairment losses	**(7)**	(59,272)
Share of post-acquisition loss	**-**	(108,486)
	-	439,606
Attributable to:		
Disposal group (Note 42)	**-**	(439,606)
Total investment in associates	**-**	-

15. INVESTMENT IN ASSOCIATES (CONT'D.)

The movement in the investment in associates of the Group during the financial year are as follows:

	Group	
	2025 RM'000	2024 RM'000
Unquoted investment		
As at 1 January	-	435,760
Share of results during the financial year	-	3,846
Transferred to disposal group (Note 42)	-	(439,606)
As at 31 December	-	-
Total investment in associates	-	-

The details of the associates are as follows:

Name of entity	Principal place of business/country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
Held by AAB				
AirAsia Philippines Inc+	Philippines	-	39.9	Dormant
Ground Team Red Holdings Sdn Bhd ("GTRH")+	Malaysia	-	50	Investment holding
Held by GTRH				
Ground Team Red Sdn. Bhd. ("GTR")+	Malaysia	-	51	Ground handling services
GTRSG Pte Ltd ("GTRSG")+	Singapore	-	40	Ground handling services
Held by TPSB				
Teleport Commerce (Thailand) Co, Ltd+	Thailand	**45.8**	45.8	Online retail sales

\+ *Audited by a member of BDO Global.*

All of the investment in associates are accounted for using the equity method.

All of the associates have the same reporting period as the Group except for GTRH which is 31 March. For the purpose of applying the equity method of accounting for associates, the last audited financial statements available and the management financial statements as at end of the accounting period of the associate were used.

There are no contingent liabilities relating to the Group's interest in the associates.

15. INVESTMENT IN ASSOCIATES (CONT'D.)

Material associates

The directors consider GTRH as material associates to the Group. GTRH has investments in GTR and SGSS which provide ground handling services in Malaysia and Singapore respectively.

Summarised financial information for associates

The tables below provide summarised financial information for GTRH that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of GTRH and not the Group's share of those amounts. These financial information have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	GTRH	
	2025 RM'000	2024 RM'000
Non-current assets	-	880,650
Current assets	-	3
Current liabilities	-	(1,441)

Summarised statements of comprehensive income

	GTRH	
	2025 RM'000	2024 RM'000
Net profit for the financial period/year, representing total comprehensive income	-	9,964

Reconciliations of summarised financial information:

	GTRH	
	2025 RM'000	2024 RM'000
Opening net assets at 1 January	-	869,248
Profit for the financial year	-	9,964
Closing net assets at 31 December	-	879,212
Group's interest in associates	**0%**	50%
Interest in associates, representing carrying value at 31 December	-	439,606

15. INVESTMENT IN ASSOCIATES (CONT'D.)

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	Group	
	2025 RM'000	**2024 RM'000**
Aggregate carrying amount of individually immaterial associates	**-**	-
Total comprehensive loss	**49**	(2,480)

16. INVESTMENT SECURITIES

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Listed equity securities				
At 1 January	**32,322**	150,135	**-**	-
Additions during the financial year	**-**	-	**103,873**	-
Transfer from assets held for sale	**103,873**	-	**-**	-
Fair value (loss)/gain				
- recognised in other comprehensive income	**5,965**	(3,667)	**6,991**	-
Transferred to disposal group (Note 42)	**-**	(114,146)	**-**	-
At 31 December	**142,160**	32,322	**110,864**	-
Unlisted equity securities				
At 1 January	**26,069**	30,283	**-**	-
Additions during the financial year	**1,490**	-	**1,490**	-
Disposal during the financial year				
(Note 16(ii) and Note 16(iii))	**(513)**	(83)	**-**	-
Fair value loss				
- recognised in profit and loss	**(7,654)**	-	**-**	-
- recognised in other comprehensive income	**(2,885)**	(2,256)	**-**	-
Transferred to disposal group (Note 42)	**-**	(1,837)	**-**	-
Exchange differences	**-**	(38)	**-**	-
At 31 December	**16,507**	26,069	**1,490**	-

16. INVESTMENT SECURITIES (CONT'D.)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Unquoted debt securities				
At 1 January	**9,703**	9,566	**-**	-
Additions during the financial year	**-**	272	**-**	-
Exchange differences	**(444)**	(135)	**-**	-
At 31 December	**9,259**	9,703	**-**	-
Total investment securities	**167,926**	68,094	**112,354**	-

Financial assets at fair value through other comprehensive income comprise investments in equity securities of listed and non-listed companies which were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature. The Group holds non-controlling equity interests of up to 14% (2024: 14%) each in 2 (2024: 2) listed equity security. In addition, the Group also holds non-controlling equity interest of up to 10% (2024: 10%) each in 2 (2024: 4) unlisted equity security.

(i) Addition during the financial year

During the financial year, the Company acquired listed equity securities from a subsidiary for a total consideration of RM103,873,000.

(ii) Disposal during the financial year

During the financial year, the Group disposed of part of its investment in an unlisted equity securities for a total consideration amounting to RM750,514 (equivalent to USD172,532), resulting in a gain on disposal of investment securities amounting to RM237,857.

(iii) Disposal in the previous financial year

During the previous financial year, the Group disposed its investment in an unlisted equity securities at fair value. No gain or loss on the disposal as the Group has marked the interest in the investment to its fair value.

(iv) The fair value reconciliation of investment securities measured at Level 3 is as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At beginning of financial year	**35,772**	39,849	**-**	-
Additions	**1,490**	272	**1,490**	-
Disposal	**(513)**	(83)	**-**	-
Transferred to disposal group	**-**	(1,837)	**-**	-
Fair value adjustments	**(10,539)**	(2,256)	**-**	-
Exchange differences	**(444)**	(173)	**-**	-
At end of financial year	**25,766**	35,772	**1,490**	-

17. INTANGIBLE ASSETS

	Goodwill RM'000	Developed software RM'000	Others RM'000	Work-in-progress RM'000	Total RM'000
Group					
Cost					
At 1 January 2025	**315,551**	**41,102**	**-**	**1,551**	**358,204**
Additions	**-**	**15**	**18**	**485**	**518**
Reclassification	**-**	**-**	**1,836**	**(1,836)**	**-**
Exchange differences	**-**	**(1,893)**	**-**	**-**	**(1,893)**
At 31 December 2025	**315,551**	**39,224**	**1,854**	**200**	**356,829**
Accumulated amortisation					
At 1 January 2025	**-**	**(25,368)**	**-**	**-**	**(25,368)**
Amortisation expense (Note 6)	**-**	**(7,118)**	**(29)**	**-**	**(7,147)**
Exchange differences	**-**	**1,559**	**-**	**-**	**1,559**
At 31 December 2025	**-**	**(30,927)**	**(29)**	**-**	**(30,956)**
Accumulated impairment					
At 1 January 2025	**(87,814)**	**-**	**-**	**-**	**(87,814)**
Carrying amount as at 31 December 2025	**227,737**	**8,297**	**1,825**	**200**	**238,059**

	Goodwill RM'000	Landing rights RM'000	Developed software RM'000	Work-in-progress RM'000	Total RM'000
Group					
Cost					
At 1 January 2024	1,874,008	2,575,047	44,006	-	4,493,061
Additions	-	-	154	1,551	1,705
Transferred to disposal group (Note 42)	(1,535,536)	(2,540,378)	(18)	-	(4,075,932)
Exchange differences	(22,921)	(34,669)	(3,040)	-	(60,630)
At 31 December 2024	315,551	-	41,102	1,551	358,204
Accumulated amortisation					
At 1 January 2024	-	-	(19,091)	-	(19,091)
Amortisation expense (Note 6)	-	-	(8,216)	-	(8,216)
Exchange differences	-	-	1,939	-	1,939
At 31 December 2024	-	-	(25,368)	-	(25,368)
Accumulated impairment					
At 1 January 2024	(172,487)	-	-	-	(172,487)
Transferred to disposal group (Note 42)	84,673	-	-	-	84,673
At 31 December 2024	(87,814)	-	-	-	(87,814)
Carrying amount as at 31 December 2024	227,737	-	15,734	1,551	245,022

17. INTANGIBLE ASSETS (CONT'D.)

Landing rights

Landing rights relate to traffic rights and landing slots for destinations operated by IAA, AAV and PAA. The useful life of these landing rights is estimated to be indefinite. During the previous financial year, the landing rights operated by respective entities has been transferred to disposal group as disclosed in Note 42.

Impairment testing for goodwill and landing rights

The carrying amounts of goodwill and landing rights allocated to the Group's cash generating units ("CGUs") are as follows:

	Goodwill		Landing rights	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CGU				
BIG	**102,925**	102,925	**-**	-
IAA	**-**	38,395	**-**	374,600
PAA	**-**	-	**-**	69,300
AAAGL	**-**	7,334	**-**	-
BigPay	**5,275**	5,275	**-**	-
MOVE	**119,537**	119,537	**-**	-
AAV	**-**	1,405,134	**-**	2,096,478
	227,737	1,678,600	**-**	2,540,378
Attributable to:				
Disposal group classified as held for sale	**-**	(1,450,863)	**-**	(2,540,378)
Total intangible assets	**227,737**	227,737	**-**	-

The Company determined the recoverable amount based on higher of fair value less cost to sell ("FVLCS") or value in use ("VIU") as tabulated follows:

	2025	2024
CGU		
BIG	**VIU**	VIU
MOVE	**VIU**	VIU
IAA	**-**	FVLCS
PAA	**-**	FVLCS
AAV	**-**	FVLCS

17. INTANGIBLE ASSETS (CONT'D.)

Impairment testing for goodwill and landing rights (cont'd.)

VIU

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. The discount rates applied to the cash flow projections and the forecasted growth rates used to extrapolate the cash flows beyond the five-year period are as follows:

	Growth rates		Discount rates	
	2025	**2024**	**2025**	**2024**
CGU				
BIG	**2%**	0%	**18%**	16%
MOVE*	**3%**	2%	**10%**	17%

* The discount rate for the financial year was determined using a market-based methodology based on observable market inputs without the application of additional discretionary risk premiums. The higher discount rate applied in the previous financial year reflected more conservative assumptions due to uncertainty in the travel sector and the Group's financial position at that time. The lower discount rate for the financial year reflects improved business conditions and the normalization of market risk.

The calculation of value in use for the CGUs are most sensitive to the following assumptions:

Growth rates: The forecasted growth rate is based on published industry research and do not exceed the long term average growth rate for the industries relevant to the CGU.

Discount rates: Discount rate reflects management's estimate of the risks specific to this entity. In determining appropriate discount rate, consideration has been given to the applicable weighted average cost of capital.

During the financial year, the recoverable amount of the BIG and MOVE CGU is within level 3 of the fair value hierarchy. The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement:

Description	**Unobservable inputs***	**Inputs**	**Relationship of unobservable inputs to fair value**
BIG	Discount rate	18%	Increased discount rate of 1% would decrease fair value by RM64,800,000
	Long-term growth rate per annum	2%	Decreased long-term growth rate by 1% would decrease the fair value by RM39,500,000
MOVE	Discount rate	10%	Increased discount rate of 1% would decrease fair value by RM881,500,000
	Long-term growth rate per annum	3%	Decreased long-term growth rate by 1% would decrease the fair value by RM669,100,000

* *There were no significant inter-relationships between unobservable inputs that materially affect the fair value.*

17. INTANGIBLE ASSETS (CONT'D.)

Impairment testing for goodwill and landing rights (cont'd.)

FVLCS

The impairment testing for goodwill and landing rights is incorporated within the overall impairment testing of the AAAGL disposal group, as the carrying amounts of goodwill and landing rights relating to IAA, PAA, and AAV are included in the AAAGL's net assets classified as held for sale. AAAGL's FVLCS was determined based on a conditional share purchase agreement signed with a related party, with a proposed disposal consideration of RM3 billion to be fully settled through the issuance of consideration shares, adjusted for estimated legal and transaction costs of RM7 million. The proposed disposal consideration of AAAGL was derived using a discounted cash flow method covering a five year period up to 31 December 2028, given that the airline operating companies ("AOCs") are income-generating companies with active operations.

The following assumptions have been applied in the calculation:

	IAA	**PAA**	**AAV**
Growth rate	21%	15%	11%
Discount rate	18%	18%	13%
Terminal growth rate	3%	3%	1%

Based on the assessment performed, there was no impairment of goodwill and landing rights attributable to the CGUs. The management believes that no reasonably possible change in the key assumptions disclosed above used to determine the CGUs' recoverable amounts, would cause its carrying amounts to materially exceed its recoverable amounts.

The calculation of recoverable amounts of the CGUs which have been measured based on their VIU and FVLCS as described above has been made based on conditions existing at 31 December 2025 and 31 December 2024. There is a significant risk that the assumptions on discount rates and growth rate applied in the goodwill impairment assessment would need to be revised, depending on industry developments which may result in a material adjustment to the carrying amounts of the goodwill.

18. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At beginning of financial year	**(24,111)**	612,464	**(25,275)**	(25,685)
Recognised in profit or loss (Note 9)	**12,852**	(54,335)	**-**	-
Recognised in other comprehensive income	**460**	17,410	**529**	410
Exchange differences	**(485)**	(6,238)	**-**	-
Transferred to disposal group (Note 42)	**-**	(593,412)	**-**	-
At end of year	**(11,284)**	(24,111)	**(24,746)**	(25,275)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**56,025**	1,652	**-**	-
Deferred tax liabilities	**(67,309)**	(25,763)	**(24,746)**	(25,275)
	(11,284)	(24,111)	**(24,746)**	(25,275)

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The movements in the deferred tax assets and liabilities of the Group during the financial year are as follows:

Deferred tax assets of the Group:

	Unabsorbed investment tax allowances RM'000	Sales in advance RM'000	Derivatives RM'000	Unutilised tax losses RM'000	Provision for retirement benefits RM'000	Others RM'000	Total RM'000
At 1 January 2025	**-**	**46**	**-**	**190**	**665**	**751**	**1,652**
Recognised in profit or loss	**-**	**9,320**	**-**	**26,382**	**10**	**19,051**	**54,763**
Recognised in other comprehensive income	**-**	**-**	**-**	**-**	**(65)**	**-**	**(65)**
Exchange differences	**-**	**(5)**	**-**	**(174)**	**(79)**	**(67)**	**(325)**
At 31 December 2025	**-**	**9,361**	**-**	**26,398**	**531**	**19,735**	**56,025**
At 1 January 2024	416,523	195,243	-	411,743	24,417	359,235	1,407,161
Recognised in profit or loss	(389,346)	33,197	4,897	(87,923)	(3,807)	332,153	(110,829)
Recognised in other comprehensive income	-	-	-	-	17,000	-	17,000
Transferred to disposal group (Note 42)	(27,177)	(228,394)	(4,897)	(323,630)	(36,945)	(690,637)	(1,311,680)
At 31 December 2024	-	46	-	190	665	751	1,652

Deferred tax liabilities of the Group:

	Right-of-use assets RM'000	Property, plant and equipment RM'000	Fair value on intangible assets RM'000	Others RM'000	Total RM'000
At 1 January 2025	**-**	**(513)**	**(25,685)**	**435**	**(25,763)**
Recognised in profit or loss	**(32)**	**(40,708)**	**-**	**(1,171)**	**(41,911)**
Recognised in other comprehensive income	**-**	**-**	**-**	**525**	**525**
Exchange differences	**7**	**(215)**	**-**	**48**	**(160)**
At 31 December 2025	**(25)**	**(41,436)**	**(25,685)**	**(163)**	**(67,309)**
At 1 January 2024	-	(40,036)	(748,066)	(6,595)	(794,697)
Recognised in profit or loss	-	26,216	24,171	6,107	56,494
Recognised in other comprehensive income	-	-	-	410	410
Exchange differences	-	-	(6,237)	-	(6,237)
Transferred to disposal group (Note 42)	-	13,307	704,447	513	718,267
At 31 December 2024	-	(513)	(25,685)	435	(25,763)

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The movements in the deferred tax liabilities of the Company during the financial year are as follows:

Deferred tax liabilities of the Company

	RCUIDS RM'000
At 1 January 2025	**25,275**
Recognised in other comprehensive income	**(529)**
At 31 December 2025	**24,746**
At 1 January 2024	25,685
Recognised in other comprehensive income	(410)
At 31 December 2024	25,275

Deferred tax has not been recognised for the following items:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Provisions and others	**524,107**	7,385,531	**473,836**	504,132
Unabsorbed capital allowances	**333**	1,886,401	**-**	-
Unutilised tax losses	**623,307**	6,254,916	**35,417**	35,497
Unutilised investment tax allowances	**-**	2,233,762	**-**	-
	1,147,747	17,760,610	**509,253**	539,629
Attributable to:				
Disposal group classified as held for sale	**-**	(16,572,085)	**-**	-
	1,147,747	1,188,525	**509,253**	539,629

The recognised deferred tax assets are able to be utilised against future taxable profits of the subsidiaries. The deferred tax assets in respect of the above items, which have not been recognised, arose from subsidiaries, as it is expected that it will not be utilised against future taxable profits.

The deferred tax assets are recognised on the basis of the Group's previous history of recording profits, and to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Estimating the future taxable profits involves significant assumptions that have been built based on expected future performance and taxable profits which have been adjusted for non-recurring circumstances and a reasonable growth rate.

19. RECEIVABLES AND PREPAYMENTS

		Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:					
Other receivables	(a)	-	340,687	-	-
Less: Allowance for impairment		-	(340,687)	-	-
		-	-	-	-
Prepayments	(b)	-	3,881,590	-	-
Deposits	(c)	**1**	1,397,064	-	-
		1	5,278,654	-	-
Attributable to:					
Disposal group classified as held for sale (Note 42)		-	(5,278,653)	-	-
Total non-current receivables and prepayments		**1**	1	-	-
Current:					
Trade receivables		**297,831**	448,283	-	-
Less: Allowance for impairment		**(9,897)**	(42,487)	-	-
		287,934	405,796	-	-
Other receivables		**48,635**	436,807	**3,176**	551
Less: Allowance for impairment		**(109)**	(1,850)	-	-
		48,526	434,957	**3,176**	551
Prepayments	(b)	**62,653**	233,097	**4,079**	2,292
Deposits	(c)	**34,418**	178,765	**110**	85
		433,531	1,252,615	**7,365**	2,928
Attributable to:					
Disposal group classified as held for sale (Note 42)		-	(861,363)	-	-
Total current receivables and prepayments		**433,531**	391,252	**7,365**	2,928

(a) In the previous financial year, included in non-current other receivables is a receivable of IDR1,187 billion (equivalent to RM340.7 million) arising from the disposal of a perpetual capital security which has been fully impaired.

(b) In the previous financial year, prepayments include advances for purchases of fuel and prepaid engine maintenance to the service provider.

(c) Deposits of the Group at the reporting date are with a number of external parties for which there is no expectation of default.

Credit terms of trade receivables range from 30 to 60 days (2024: 30 to 60 days).

19. RECEIVABLES AND PREPAYMENTS (CONT'D.)

Movements on the allowance for impairment of other receivables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	**342,537**	346,511	-	-
Written off	**(342,428)**	(3,974)	-	-
At 31 December	**109**	342,537	-	-

The ageing analysis of trade receivables is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current	**161,175**	253,128	-	-
1 to 90 days	**82,559**	105,366	-	-
91 to 120 days	**12,647**	7,503	-	-
121 to 180 days	**7,286**	6,894	-	-
181 to 365 days	**11,527**	5,886	-	-
Over 365 days	**12,740**	27,019	-	-
	126,759	152,668	-	-
Impaired	**9,897**	42,487	-	-
	297,831	448,283	-	-

Credit terms of trade receivables range from 30 to 60 days (2024: 30 to 60 days).

(a) Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired of RM161 million (2024: RM253 million) are substantially due from companies with good collection track records with the Group.

(b) Trade receivables that are past due but not impaired

Trade receivables for the Group of RM127 million (2024: RM153 million) were past due but not impaired. These debts relate to a number of independent customers for whom there is no recent history of default.

19. RECEIVABLES AND PREPAYMENTS (CONT'D.)

(iii) Trade receivables that are impaired

Movements on the allowance for impairment of trade receivables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	**9,015**	144,794	**-**	-
Additional impairment (Note 6)	**3,825**	7,591	**-**	-
Written off	**(2,943)**	(105,079)	**-**	-
Exchange difference	**-**	(4,819)	**-**	-
	9,897	42,487	**-**	-
Attributable to:				
Disposal group classified as held for sale	**-**	(33,472)	**-**	-
At 31 December	**9,897**	9,015	**-**	-

The individually impaired trade receivables are mainly related to disputed balances with customers or balances for which management is of the view that the amounts may not be recoverable.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

The currency profile of receivables and deposits (excluding prepayments) is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	**206,587**	140,857	**3,286**	636
US Dollar	**134,083**	140,705	**-**	-
Others	**30,208**	51,809	**-**	-
	370,878	333,371	**3,286**	636

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2025		2024	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Non-current				
RCUIDS				
- early redemption option	**11,383**	**-**	11,383	-
Current				
Foreign exchange forward contracts	**-**	**-**	2,304	(1)
Warrants	**11,545**	**2,668**	-	-
Attributable to:				
Disposal group classified as held for sale (Note 42)	**-**	**-**	(2,304)	1
Total derivative financial instruments	**22,928**	**2,668**	11,383	-

	Company	
	2025 RM'000	2024 RM'000
Non-current asset		
RCUIDS		
- early redemption option	**11,383**	11,383

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months. Derivatives held for trading are those which do not qualify for hedge accounting.

(i) Early Redemption Option

The RCUIDS issued by the Group as disclosed in Note 29 below allows for an option of refinancing the debt at a price of 105% of the principal which will provide future savings to the Group.

(ii) Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 12 months.

(iii) Warrants Asset

The warrant issued by a subsidiary allows an option for the subsidiary, with an irrevocable right but not obligation to redeem or purchase from warrants holders and the warrants holders shall have an obligation to transfer the warrants to the subsidiary at any time upon the borrowing has been repaid or prepaid in full. The subsidiary may elect to redeem the warrants at 3.4% of the total shares outstanding for a price of USD18.5 million.

(iv) Warrants Liability

The warrant issued by a subsidiary granted the warrants holders an option ("put option price"), with an irrevocable right to elect to sell the warrants to the subsidiary at any time and the subsidiary is obligated to redeemed from warrants holders as at when requested by the warrant holders. The warrant holders may elect to redeem the warrants at 6% of the total shares outstanding for a price of USD18.5 million.

21. INVENTORIES

	Group	
	2025 RM'000	**2024 RM'000**
At cost		
Consumables, in-flight merchandise and others	**206,523**	327,159
Attributable to:		
Disposal group classified as held for sale (Note 42)	**-**	(179,678)
Total inventories	**206,523**	147,481

During the financial year, the amount of the inventories recognised in operating expenses of the Group was RM341 million (2024: RM321 million).

22. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2025 RM'000	**2024 RM'000**
Current assets		
Amounts due from subsidiaries	**5,023,989**	5,324,032
Less: Allowance for impairment	**(473,836)**	(504,132)
	4,550,153	4,819,900
Current liabilities		
Amounts due to subsidiaries	**(48,414)**	(4,091,604)

The amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand in cash and cash equivalents, except for amounts due from subsidiaries of RM110,836,000 (2024: RM613,118,000) which bear interest at a rate of 9% (2024: 9%) per annum.

The amounts due from subsidiaries that are assessed as not recoverable had been impaired accordingly. Movements on allowance for impairment of amounts due from subsidiaries are as follows:

	Company	
	2025 RM'000	**2024 RM'000**
At 1 January	**504,132**	-
(Reversal of allowance)/allowance for impairment (Note 6)	**(30,296)**	504,132
At 31 December	**473,836**	504,132

22. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D.)

The currency profile of amounts due from/(to) subsidiaries are as follows:

	Company	
	2025 RM'000	**2024 RM'000**
Amounts due from subsidiaries		
Ringgit Malaysia	**4,768,444**	4,938,060
US Dollar	**255,545**	385,775
Others	**-**	197
	5,023,989	5,324,032
Amounts due to subsidiaries		
Ringgit Malaysia	**(28,327)**	(4,072,391)
US Dollar	**(16,231)**	(15,672)
Others	**(3,856)**	(3,541)
	(48,414)	(4,091,604)

23. AMOUNTS DUE FROM/(TO) ASSOCIATES

	Group	
	2025 RM'000	**2024 RM'000**
Current assets		
Amounts due from associates	**8,653**	33,497
Less: Allowance for impairment	**-**	(520)
	8,653	32,977
Attributable to:		
Disposal group classified as held for sale (Note 42)	**-**	(6,006)
Total amounts due from associates	**8,653**	26,971
Current liabilities		
Amounts due to associates	**(116)**	(57,223)
Attributable to:		
Disposal group classified as held for sale (Note 42)	**-**	57,092
Total amounts due to associates	**(116)**	(131)

The amounts due from/(to) associates are trade balances and are unsecured, interest free and repayable on demand in cash and cash equivalents.

23. AMOUNTS DUE FROM/(TO) ASSOCIATES (CONT'D.)

The amounts due from related parties that are assessed as not recoverable had been impaired accordingly. Movements on allowance for impairment of amounts due from associates are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**520**	51,937
Written off	**(520)**	(51,415)
Exchange differences	**-**	(2)
At 31 December	**-**	520

The maximum exposure to credit risk at the reporting date is the carrying value of the amounts due from associates mentioned above.

The currency profile of the amounts due from/(to) associates are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
Due from		
Ringgit Malaysia	**615**	21,066
US Dollar	**7,430**	10,895
Others	**608**	1,536
	8,653	33,497
Due to		
Ringgit Malaysia	**-**	(57,213)
US Dollar	**(92)**	-
Others	**(24)**	(10)
	(116)	(57,223)

24. AMOUNTS DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current assets				
Amounts due from related parties	**5,097,401**	475,124	**4,384,894**	-
Less: Allowance for impairment	**-**	(380,204)	**-**	-
	5,097,401	94,920	**4,384,894**	-
Attributable to:				
Disposal group classified as held for sale (Note 42)	**-**	(16,591)	**-**	-
Total amounts due from related parties	**5,097,401**	78,329	**4,384,894**	-
Current liabilities				
Amounts due to related parties	**(1,254,708)**	(533,918)	**(581,586)**	(1,135)
Attributable to:				
Disposal group classified as held for sale (Note 42)	**-**	475,688	**-**	-
Total amounts due to related parties	**(1,254,708)**	(58,230)	**(581,586)**	(1,135)

The amounts due from/(to) related parties are trade balances and are unsecured, interest free and repayable on demand in cash and cash equivalents except for an amount due from a related party of RM3,738,462,000, which represents the consideration for the Proposed Disposal of AAAGL. The carrying amounts of amounts due from related parties approximate their fair values.

The amounts due from related parties that are assessed as not recoverable had been impaired accordingly.

Movements on allowance for impairment of amounts due from related parties are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**-**	259,194
Allowance for impairment (Note 6)	**-**	127,044
Exchange differences	**-**	(6,034)
	-	380,204
Attributable to:		
Disposal group classified as held for sale	**-**	(380,204)
At 31 December	**-**	-

24. AMOUNTS DUE FROM/(TO) RELATED PARTIES (CONT'D.)

The currency profile of the amounts due from/(to) related parties are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Due from				
Ringgit Malaysia	**4,333,164**	69,647	**4,295,869**	-
US Dollar	**720,091**	335,844	**89,026**	-
Others	**44,146**	69,633	**-**	-
	5,097,401	475,124	**4,384,895**	-
Due to				
Ringgit Malaysia	**(1,046,564)**	(291,266)	**(577,526)**	-
US Dollar	**(198,328)**	(242,649)	**(3,919)**	(1,135)
Others	**(9,816)**	(3)	**(141)**	-
	(1,254,708)	(533,918)	**(581,586)**	(1,135)

25. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks	**36,547**	124,790	**100**	549
Cash and bank balances	**396,065**	930,642	**15,060**	996
Deposits, cash and bank balances	**432,612**	1,055,432	**15,160**	1,545
Attributable to:				
Disposal group classified as held for sale (Note 42)	**-**	(624,247)	**-**	-
Total deposits, cash and bank balances	**432,612**	431,185	**15,160**	1,545

The cash and cash equivalent of deposits, cash and bank balances are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits, cash and bank balances	**432,612**	1,055,432	**15,160**	1,545
Less: Deposits with licensed banks with maturity period of more than 3 months	**(10,886)**	(24,677)	**-**	-
Less: Deposits pledged as securities and restricted cash	**(72,391)**	(228,442)	**-**	-
	349,335	802,313	**15,160**	1,545
Attributable to:				
Disposal group classified as held for sale	**-**	(487,694)	**-**	-
Total cash and cash equivalents	**349,335**	314,619	**15,160**	1,545

25. DEPOSITS, CASH AND BANK BALANCES (CONT'D.)

The currency profile of deposits, cash and bank balances are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	**230,509**	274,663	**14,664**	1,020
US Dollar	**113,297**	435,990	**443**	450
Chinese Renminbi	**7,440**	48,849	**-**	-
Others	**81,366**	295,930	**53**	75
	432,612	1,055,432	**15,160**	1,545

Short-term deposits are made for varying periods of twelve months (2024: varying periods of twelve months) depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The weighted average effective annual interest rates of deposits at the financial years ended are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Deposits with licensed banks	**4.00**	2.26	**0.49**	3.02

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Trade payables	**-**	66,394	**-**	-
Other payables	**11,465**	67,521	**-**	-
	11,465	133,915	**-**	-
Attributable to:				
Disposal group classified as held for sales (Note 42)	**-**	(127,954)	**-**	-
Total non-current trade and other payables	**11,465**	5,961	**-**	-
Current				
Trade payables	**302,179**	1,789,510	**468**	174
Accrual for fuel	**-**	451,876	**-**	-
Advances received	**-**	340,428	**-**	-
Other payables and accruals	**3,399,905**	2,782,213	**2,954,109**	6,743
	3,702,084	5,364,027	**2,954,577**	6,917
Attributable to:				
Disposal group classified as held for sales (Note 42)	**-**	(4,710,469)	**-**	-
Total current trade and other payables	**3,702,084**	653,558	**2,954,577**	6,917
Total trade and other payables	**3,713,549**	659,519	**2,954,577**	6,917

26. TRADE AND OTHER PAYABLES (CONT'D.)

The normal trade credit term granted to the Group's trade payables ranges from 30 to 60 days (2024: 30 to 60 days) from the date of invoice and non-interest bearing except for RM130,343,000 which bear interest at rates ranging from 4% to 7% per annum in 2024.

The current other payables and accruals include accruals for operational expenses and amount due to shareholders of RM2,944,615,000 (after fair value adjustment of RM203,077,000) pursuant to the distribution of new ordinary shares in AAX ("AAX Shares"). This amount was concurrently debited to other reserves while awaiting the distribution of AAX shares. Following the completion of the distribution on 19 January 2026, both the payable and the reserve entries were reversed.

The currency profile of trade and other payables are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Ringgit Malaysia	**3,460,674**	171,988	**2,951,434**	6,406
US Dollar	**41,355**	27,290	**2,103**	507
Others	**211,520**	460,241	**1,040**	4
	3,713,549	659,519	**2,954,577**	6,917

27. AIRCRAFT MAINTENANCE PROVISIONS AND LIABILITIES

	Group	
	2025 RM'000	**2024 RM'000**
Aircraft maintenance provisions and liabilities	**-**	7,629,679
Attributable to:		
Disposal group classified as held for sales (Note 42)	**-**	(7,629,679)
	-	-

Aircraft maintenance provisions relate to aircraft held under operating lease arrangements whereby, the Group is contractually obligated to maintain the aircraft during the lease period and to redeliver the aircraft to the lessors at the end of the lease term, in certain pre-agreed conditions. Accordingly, the Group estimates the aircraft maintenance costs required to fulfil these obligations at the end of the lease period and recognise a provision for these costs at each reporting date.

The movements in the aircraft maintenance provisions of the Group during the financial year are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**-**	7,193,417
Arose during the year	**-**	925,246
Acquisition of a subsidiary	**-**	-
Utilised	**-**	(488,984)
Transferred to disposal group (Note 42)	**-**	(7,629,679)
At 31 December	**-**	-

28. SALES IN ADVANCE

	Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**12,050**	2,025,298
Recognised as revenue during the financial year	**(12,050)**	(2,025,298)
Deferred during the financial year	**2,895**	2,279,554
Transferred to disposal group (Note 42)	**-**	(2,267,504)
At 31 December 2025	**2,895**	12,050

29. BORROWINGS

		Group		Company	
		2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current					
Term loans	(i)	**73,350**	1,121,781	**-**	-
Revolving credit		**-**	5,998	**-**	-
Convertible loan note	(ii)	**119,962**	58,820	**119,962**	58,820
Other facilities	(iii)	**216,362**	548,188	**-**	-
Revenue bond	(iv)	**-**	462,045	**-**	-
RCUIDS	(v)	**321,219**	164,052	**321,219**	164,052
		730,893	2,360,884	**441,181**	222,872
Attributable to:					
Disposal group classified as held for sales (Note 42)		**-**	(1,724,920)	**-**	-
Total current borrowings		**730,893**	635,964	**441,181**	222,872
Non-current					
Term loans	(i)	**133,326**	1,592,899	**-**	-
Convertible loan note	(ii)	**96,229**	191,668	**96,227**	191,668
Other facilities	(iii)	**-**	40,765	**-**	-
Revenue bond	(iv)	**-**	1,214,815	**-**	-
RCUIDS	(v)	**321,219**	492,156	**321,219**	492,156
		550,774	3,532,303	**417,446**	683,824
Attributable to:					
Disposal group classified as held for sales (Note 42)		**-**	(2,692,583)	**-**	-
Total non-current borrowings		**550,774**	839,720	**417,446**	683,824
Total borrowings		**1,281,667**	1,475,684	**858,627**	906,696

29. BORROWINGS (CONT'D.)

(i) Term loans

The tenure of the term loans are up to 7 years from the first drawdown. The term loans are to finance the establishment and operation of the subsidiaries. The repayment terms of the term loans are on a quarterly basis.

(ii) Convertible loan note

In the previous financial year, a subsidiary of the Group secured an investment of up to USD60 million (equivalent to RM276 million) convertible notes at a coupon rate of 6% per annum from SK Group, a South Korean conglomerate. The convertible loan notes will be converted into preference shares in a subsidiary within one year upon approval obtained from regulators.

On 3 September 2024, the Company, SK Group, and a subsidiary of the Group entered into a Deed of Settlement, resulting in the novation of the convertible loan note to the Company with a repayment term of 40 months.

(iii) Other facilities

In the previous financial year, a subsidiary of the Group secured a senior secured loan facility of USD100 million (equivalent to RM460 million) from a non-financial institution.

The borrowing is secured against, among others, shares in the subsidiaries, fixed and floating charges over all assets of the subsidiaries and assignment over key material contracts (other than supplier contracts). The borrowing is also guaranteed by the Company.

On 28 February 2025 and 19 February 2026, the Group has obtained waiver letters from its lender for the non-compliances with financial covenants relating to its financing facility for the financial year ended 2024 and 2025, respectively.

(iv) Revenue bond

In the previous financial year, a subsidiary of the Group entered into the definitive agreements with aircraft lessors and private credit funds for the issuance by the subsidiary of the Group, of Regulation S secured notes of up to USD443 million, due in September 2026 and August 2028.

(v) RCUIDS

In 2021, the Company completed the renounceable rights issue ("Rights Issue") of RM974,513,219 in nominal value of 7-year redeemable convertible unsecured islamic debt securities ("RCUIDS") at nominal value of RM0.75 each based on the Shariah principal of Murabahah (via "Tawarruq Arrangement") comprising 1,299,350,959 RCUIDS together with 649,675,479 free detachable warrants ("Warrants") on the basis of 2 RCUIDS with 1 warrant for every 6 ordinary shares in the Company following the listing and quotation on the Main Market of Bursa Securities. The Rights Issue is constituted by a trust deed dated 18 November 2021.

The salient features of the RCUIDS are as follows:

(a) The profit rate for the RCUIDS is 8% per annum, computed based on the nominal value of the outstanding RCUIDS and payable quarterly in arrears;

(b) The RCUIDS shall be convertible into new ordinary shares of the Company by surrendering for cancellation RM0.75 nominal value of one RCUIDS for one new ordinary share of the Company at any time on and after 31 December 2021 ("Issue Date") up to 31 December 2028 ("Maturity Date");

29. BORROWINGS (CONT'D.)

(v) RCUIDS (cont'd.)

(c) The new ordinary shares to be issued upon conversion of the RCUIDS shall, upon allotment and issuance, rank equally in all respects with the then existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which the entitlement date precedes the allotment date of the new ordinary shares allotted pursuant to the conversion of the RCUIDS;

(d) The Company shall redeem annually 25% of the outstanding RCUIDS, which have not been converted or redeemed, commencing on the 4th anniversary from the Issue Date and annually thereafter until the 7th anniversary; and

(e) The Company may make an early redemption of the outstanding RCUIDS in whole on the 5th (2024: 4th) anniversary of the Issue Date. The redemption amount shall be based on 105% of the nominal value of the RCUIDS (excluding the relevant annual redemption amount on the 5th (2024: 4th) anniversary of the Issue Date).

During the financial year ended 31 December 2025, a total of RM41,265,000 RCUIDS were converted into ordinary shares. The redemption of 25% of the remaining RCUIDS, originally scheduled on 29 December 2025, was deferred to 29 December 2026.

Subsequent to the completion of the Proposed AAB and AAAGL Disposal, the conversion terms of the RCUIDS were adjusted, whereby the effective conversion price was revised from RM0.75 to RM0.21 per ordinary share, resulting in a revised conversion ratio of 357 new ordinary shares for every 100 RCUIDS held.

The movement and liability component of the RCUIDS is as follows:

Group and Company

	2025 RM'000	2024 RM'000
At 1 January	**656,208**	685,125
Interest amount (Note 8(b))	**76,598**	81,027
Payment of interest	**(51,222)**	(54,825)
Conversion of RCUIDS	**(39,146)**	(55,119)
At 31 December	**642,438**	656,208

As at 31 December 2025, shares in subsidiaries with a carrying amount of RM265.7 million (2024: RM265.7 million) are pledged as a security for borrowing secured by subsidiaries (Note 13).

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Weighted average interest rate				
Term loans	**7.86**	9.61	**-**	-
Revolving credit	**-**	8.50	**-**	-
Convertible loan note	**6.00**	6.00	**6.00**	6.00
Revenue bond	**-**	8.00	**-**	-
RCUIDS	**8.00**	10.50	**8.00**	8.00
Other facilities	**12.49**	11.85	**-**	-

29. BORROWINGS (CONT'D.)

The borrowings are repayable as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Not later than 1 year	**730,893**	635,964	**441,181**	222,872
Later than 1 year and not later than 5 years	**550,774**	839,720	**417,446**	683,824
Later than 5 years	**-**	-	**-**	-
	1,281,667	1,475,684	**858,627**	906,696

The currency profile of borrowings is as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Ringgit Malaysia	**701,865**	830,556	**642,438**	656,208
US Dollar	**429,498**	4,341,569	**216,189**	250,488
Singapore Dollar	**150,304**	-	**-**	-
Thai Baht	**-**	694,752	**-**	-
Indonesia Rupiah	**-**	26,310	**-**	-
	1,281,667	5,893,187	**858,627**	906,696

Total borrowings as at reporting date consist of the following banking facilities:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fixed rate borrowings	**1,134,417**	4,288,658	**858,627**	906,696
Floating rate borrowings	**147,250**	1,604,529	**-**	-
	1,281,667	5,893,187	**858,627**	906,696

The carrying amounts and fair values of the fixed rate borrowings are as follows:

	Group			
	2025		**2024**	
	Carrying amount RM'000	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Term loans	**59,427**	**60,614**	1,363,906	1,450,534
Revolving credit	**-**	**-**	5,998	6,130
Convertible loan note	**216,191**	**222,862**	250,488	250,488
Revenue bond	**-**	**-**	1,676,860	1,912,459
RCUIDS	**642,438**	**698,341**	656,208	688,810
Other facilities	**216,361**	**227,325**	335,198	380,530
	1,134,417	**1,209,142**	4,288,658	4,688,951

29. BORROWINGS (CONT'D.)

The carrying amounts and fair values of the fixed rate borrowings are as follows: (cont'd.)

	Company			
	2025		**2024**	
	Carrying amount RM'000	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Convertible loan note	**216,191**	**222,862**	250,488	250,488
RCUIDS	**642,438**	**698,341**	656,208	688,810
	858,629	**921,203**	906,696	939,298

The fair values of the floating rate borrowings approximate their carrying amounts, as the impact of discounting is not significant.

The fair values of the fixed rate borrowings are based on cash flows discounted using borrowing rates that are reflective of the Group's credit risk at the balance sheet date, at 2.90% to 13.50% (2024: 2.90% to 13.50%) per annum. The fair values of fixed rate borrowings are within level 3 of the fair value hierarchy.

30. DEBENTURES

	Group	
	2025 RM'000	**2024 RM'000**
Current liabilities		
Current portion of long-term debentures	**-**	196,685
Less: deferred front-end fee	**-**	(388)
		196,297
Attributable to:		
Disposal group classified as held for sale (Note 42)	**-**	(196,297)
Total current portion of long-term debentures - net	**-**	-
Non-current liabilities		
Long-term debentures - net of current portion	**-**	550,719
Less: deferred front-end fee	**-**	(4,697)
	-	546,022
Attributable to:		
Disposal group classified as held for sale (Note 42)	**-**	(546,022)
Total non-current portion of long-term debentures - net	**-**	-
Total long-term debentures	**-**	-

Long-term debentures are unsubordinated and secured by the Group in THB currency with fixed interest rates. Their fair value as at 31 December 2024 amounted to RM745 million.

30. DEBENTURES (CONT'D.)

The movements of debentures account of the Group during the financial year are summarised below.

	Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**-**	548,310
Issuance during the period	**-**	393,370
Repayment of long-term debentures	**-**	(187,703)
Amortisation of front-end fee	**-**	(1,008)
Exchange movements	**-**	(10,650)
Transferred to disposal group (Note 42)	**-**	(742,319)
At 31 December	**-**	-

31. LEASES

Group as a lessee

The Group leases various aircraft, spare engines and land and building. Leases of aircraft and spare engines have a lease term of 2 to 19 years (2024: 2 to 19 years) whilst land and building generally have a lease term of 2 to 30 years (2024: 2 to 30 years).

The Group also has certain leases of property, plant and equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Set out below are the carrying amounts of ROU assets recognised and the movements during the financial year:

	Aircraft RM'000	**Land and building RM'000**	**Total RM'000**
As at 1 January 2025	**-**	**404,072**	**404,072**
Additions	**-**	**62,522**	**62,522**
Remeasurement/Modifications	**-**	**7,349**	**7,349**
Depreciation	**-**	**(49,493)**	**(49,493)**
Impairment	**-**	**(1,654)**	**(1,654)**
Exchange movements	**-**	**(14,850)**	**(14,850)**
Effects of proposed corporate exercise	**163,815**	**-**	**163,815**
As at 31 December 2025	**163,815**	**407,946**	**571,761**

31. LEASES (CONT'D.)

Group as a lessee (cont'd.)

Set out below are the carrying amounts of ROU assets recognised and the movements during the financial year: (cont'd.)

	Aircraft and spare engines RM'000	**Land and building RM'000**	**Total RM'000**
As at 1 January 2024	13,220,873	45,172	13,266,045
Additions	2,047,865	111,969	2,159,834
Transferred from property, plant and equipment (Note 11)	-	303,603	303,603
Remeasurement/modifications	234,420	7,456	241,876
Depreciation	(1,392,896)	(20,573)	(1,413,469)
Exchange movements	(49,243)	-	(49,243)
Transferred to disposal group (Note 42)	(14,061,019)	(43,555)	(14,104,574)
As at 31 December 2024	-	404,072	404,072

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

	2025 RM'000	**2024 RM'000**
At 1 January	**113,798**	18,907,331
Additions	**45,879**	2,296,689
Accretion of interest	**33,980**	948,299
Payments	**(43,119)**	(5,086,097)
Remeasurement/modifications	**(529)**	244,692
Exchange movements	**(17,732)**	(359,756)
Effects of proposed corporate exercise	**172,932**	-
Transferred to disposal group (Note 42)	**-**	(16,837,360)
At 31 December	**305,209**	113,798

	2025 RM'000	**2024 RM'000**
Current	**7,276**	1,575
Non-current	**297,933**	112,223
	305,209	113,798

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

31. LEASES (CONT'D.)

The following are the amounts recognised in profit or loss:

	2025 RM'000	2024 RM'000
Continuing operation		
Depreciation of right-of-use assets	**49,493**	15,386
Interest expense on lease liabilities (Note 8(b))	**33,980**	18,149
Expense relating to short-term leases	**8,902**	5,468
Total amount recognised in profit or loss	**92,375**	39,003
Discontinued operation		
Depreciation of right-of-use assets (Note 42)	**-**	1,398,083
Interest expense on lease liabilities (Note 8(b))	**959,739**	930,150
Expense relating to short-term leases	**-**	15,782
	959,739	2,344,015

The Group had total cash outflows for leases of RM43 million in 2025 (2024: RM4.6 million). The Group also had non-cash additions to ROU assets and lease liabilities of RM63 million (2024: RM2,160 million) and RM46 million (2024: RM2,297 million), respectively.

Group as a lessor - finance lease

The Group has classified most of its aircraft subleases as finance leases because the sublease is for the whole of the remaining term of the head lease. During the financial year, the movement on the finance lease receivables are as follows:

	2025 RM'000	2024 RM'000
At 1 January	**-**	158,000
Lease payments received during the financial year	**-**	(21,113)
Finance income (Note 8(a))	**-**	8,372
Exchange movements	**-**	(4,123)
Transferred to disposal group (Note 42)	**-**	(141,136)
At 31 December	**-**	-

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2025 RM'000	2024 RM'000
Within one year	**-**	20,651
After one year but not more than five years	**-**	82,606
More than five years	**-**	74,001
Total undiscounted lease payments receivable	**-**	177,258
Unearned finance income	**-**	(36,122)
Net investment in the lease	**-**	141,136

31. LEASES (CONT'D.)

Group as a lessor - operating lease

Lease income from lease contracts in which the Group acts as a lessor:

	2025 RM'000	2024 RM'000
Finance lease		
- Finance income on the finance lease receivables	**-**	8,372

32. PROVISION FOR RETIREMENT BENEFITS

The Group has unfunded, non-contributory and actuarially computed retirement benefit plans which provide retirement benefits to employees who reach the mandatory retirement age under the provisions of labour laws in Indonesia, Philippines and Thailand.

The amounts recognised in the statements of financial position as at 31 December are as follows:

	Group	
	2025 RM'000	2024 RM'000
Present value of defined benefit obligation	**10,962**	10,799

The movements in the present value of defined benefit obligation for the year ended 31 December are as follows:

	Group	
	2025 RM'000	2024 RM'000
Defined benefit obligation at 1 January	**10,799**	199,719
Recognised in income statement:		
- Current service cost	**1,388**	32,052
- Interest cost (Note 8(b))	**187**	3,078
Benefits paid	**(945)**	(11,060)
Past service cost	**(839)**	(2,950)
Remeasurement (gain)/loss recognised in profit or loss:		
- Changes in financial assumptions	**-**	(23)
- Experience adjustments	**-**	(4,516)
Remeasurement loss/(gain) recognised in other comprehensive income:		
- Changes in financial assumptions	**(29)**	7,745
- Experience adjustments	**192**	76,737
Exchange differences	**209**	6,542
Transfer to disposal group (Note 42)	**-**	(296,525)
Defined benefit obligation at 31 December	**10,962**	10,799

32. PROVISION FOR RETIREMENT BENEFITS (CONT'D.)

The principal actuarial assumptions used for the year ended 31 December are as follows:

	2025	2024
Discount rate	**1.24% to 6.84%**	2.56% - 7.13%
Salary increase rate per annum	**5.00% to 12.00%**	4.00% - 5.00%
Average employee service life	**5 to 28 years**	5 - 33 years

Sensitivity analysis

As at 31 December, the sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Impact on defined benefit obligation		
	Change in assumption RM'000	Increase in assumption RM'000	Decrease in assumption RM'000
2025			
Annual discount rate	**+/- 1%**	**(2,162)**	**2,190**
Future annual salary increase rate	**+/- 1%**	**861**	**(838)**
2024			
Annual discount rate	+/- 1%	(27,847)	33,116
Future annual salary increase rate	+/- 1%	21,411	(18,349)

33. SHARE CAPITAL

	No. of shares		Group/Company	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Ordinary shares				
Issued and fully paid up:				
As at 1 January	**4,330,434**	4,254,582	**8,768,569**	8,711,742
Conversion of RCUIDS	**90,127**	75,852	**41,265**	56,827
Exercise of Warrants	**9,635**	-	**9,604**	-
As at 31 December	**4,430,196**	4,330,434	**8,819,438**	8,768,569

During the financial year, the issued and paid-up share capital of the Company increased following the conversion of Redeemable Convertible Unsecured Islamic Debt Securities ("RCUIDS") and the exercise of warrants.

The RCUIDS were converted into a total of 90,126,728 ordinary shares, comprising 36,810,086 shares at an issue price of RM0.75 per share and 53,316,642 shares at an issue price of RM0.21 per share. In addition, 9,635,012 warrants were exercised into ordinary shares, comprising 9,576,697 shares at RM1.00 per share and 58,315 shares at RM0.28 per share. All new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

During the previous financial year, the issued and paid up share capital of the Company was increased from RM8,711,742,000 to RM8,768,569,000 via the conversion of 75,851,475 RCUIDS into ordinary shares issued at RM0.75 per share. The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

34. SHARE-BASED PAYMENTS

Long Term Incentive Scheme ("LTIS")

On 2 August 2021, the Company implemented a LTIS comprising an Employee Share Option Scheme ("ESOS") and a Share Grant Scheme. The establishment of the LTIS, which involves up to 10% of the total number of issued shares of the Company at any point in time throughout the duration of the LTIS, is for the employees and directors of the Group who are eligible in accordance with the By-Laws governing the LTIS. The LTIS is administered by a committee appointed and duly authorised by the Board in accordance with the By-Laws.

The LTIS will be in force for a period of six (6) years commencing from 2 August 2021 and may be extended for a further period of up to 4 years immediately from the expiry of the first six years.

ESOS

On 3 August 2021, the Company granted 159,400,000 share options ("ESOS") pursuant to the LTIS to selected eligible employees and directors of the Group. The ESOS will be vested on a 3 year-cliff vesting, i.e. 100% will be vested on 31 August 2024, subject to the Company's share price performance. Employees must remain in service for a period of 3 years from the date of grant up to vesting date. The fair value of the ESOS is estimated at the date of grant using a Monte-Carlo simulation model blended with Black-Scholes model, taking into account the terms and conditions on which the ESOS were granted. The model simulates the share price and takes into account historical and expected dividends, risk-free rate, and the share price volatility of the Company so as to predict the share performance.

The exercise price of the ESOS is RM0.74 which is equal to the 5-day Volume-weighted average market price ("VWAP") of the shares immediately preceding the date of the ESOS award, with a discount of not more than ten per cent (10%). The vesting period and exercise period of the ESOS will be limited to the duration that the LTIS is in force. There is no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

On the vesting date of 31 August 2024, the Company's share price performance was below the minimum required performance condition. Therefore, the ESOS was deemed vested during the previous financial year in accordance with MFRS 2 Share-based Payment, due to the failure to satisfy the market condition.

The expense recognised for employee services received during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expense arising from equity-settled share-based payment transactions	-	3,534	-	573

Movements during the financial year

The following table illustrates the number of, and movements in, ESOS during the financial year:

	2025 '000	2024 '000
Outstanding at 1 January	-	98,900
Forfeited vested during the financial year	-	(6,400)
Deemed vested during the financial year	-	(92,500)
Outstanding at 31 December	-	-

The fair value of options granted during the financial year was RM0.282. The exercise price for ESOS outstanding at the end of the financial year was RM0.7425.

34. SHARE-BASED PAYMENTS (CONT'D.)

The following table list the inputs to the model used for the ESOS for the financial year ended 31 December 2021:

	Share options granted on 3 Aug 2021
Fair value at the measurement date (RM)	0.282
Expected volatility (%)	53.874
Risk-free interest rate per annum (%)	2.242
Expected life of ESOS (years)	6
Model used	Monte-Carlo blended with Black-Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

35. MERGER DEFICIT

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	**(5,507,594)**	(5,507,594)
Disposal of subsidiaries	**5,507,594**	-
As at 31 December	**-**	(5,507,594)

On 16 April 2018, the Company completed an internal reorganisation. Consequently, the merger deficit represents the difference between the purchase consideration to acquire AAB and the share capital of AAB.

Further, the Company has accounted for the acquisition of AAB Group as a continuation of the acquired entity. Therefore, the share capital of AAB is reflected as a merger reserve since the financial year ended 31 December 2017.

Following the completion of the proposed disposal of AAB on 3 December 2025, the merger deficit arising from the acquisition of AAB has been derecognised.

36. RETAINED EARNINGS AND RESERVES

(a) Reserves

	Other reserves						
Group	Remeasurement gain on employee benefits liability RM'000	Cash flow hedge reserve RM'000	Distribution reserve RM'000	Fair value reserve RM'000	RCUIDS reserves RM'000 (Note 36.2)	Warrant reserves RM'000 (Note 36.3)	Total RM'000
At 1 January 2025	**(69,817)**	**(31)**	**-**	**33,592**	**21,863**	**56,185**	**41,792**
Net change in fair value	**(843)**	**-**	**-**	**264,334**	**-**	**-**	**263,491**
Disposal of subsidiaries	**70,069**	**31**	**(2,741,538)**	**(203,077)**	**-**	**-**	**(2,874,515)**
Issuance of new warrant	**-**	**-**	**-**	**-**	**-**	**21,867**	**21,867**
Deferred tax recognised	**-**	**-**	**-**	**-**	**529**	**-**	**529**
Conversion of warrants into ordinary shares	**-**	**-**	**-**	**-**	**-**	**19**	**19**
Conversion of RCUIDS into ordinary shares	**-**	**-**	**-**	**-**	**(2,119)**	**-**	**(2,119)**
At 31 December 2025	**(591)**	**-**	**(2,741,538)**	**94,849**	**20,273**	**78,071**	**(2,548,936)**

	Other reserves						
	Remeasurement gain on employee benefits liability RM'000	Cash flow hedge reserve RM'000	Fair value reserve RM'000	Share option reserves RM'000 (Note 36.1)	RCUIDS reserves RM'000 (Note 36.2)	Warrant reserves RM'000 (Note 36.3)	Total RM'000
At 1 January 2024	1,964	(3,861)	39,515	21,678	23,161	56,185	138,642
Net change in fair value	(71,781)	3,830	(5,923)	-	-	-	(73,874)
Deferred tax recognised	-	-	-	-	410	-	410
Conversion of RCUIDS into ordinary shares	-	-	-	-	(1,708)	-	(1,708)
Share-based payment expensed	-	-	-	3,534	-	-	3,534
Expiry of share-based payments	-	-	-	(25,212)	-	-	(25,212)
At 31 December 2024	(69,817)	(31)	33,592	-	21,863	56,185	41,792

36. RETAINED EARNINGS AND RESERVES (CONT'D.)

(a) Reserves (cont'd.)

Company	Share option reserves RM'000 (Note 36.1)	Distribution reserve RM'000	Fair value reserve RM'000	RCUIDS reserves RM'000 (Note 36.2)	Warrant reserves RM'000 (Note 36.3)	Total RM'000
At 1 January 2025	**-**	**-**	**-**	**21,863**	**56,185**	**78,048**
Disposal of subsidiaries	**-**	**(2,741,538)**	**(203,077)**	**-**	**-**	**(2,944,615)**
Deferred tax recognised	**-**	**-**	**-**	**529**	**-**	**529**
Conversion of RCUIDS into ordinary shares	**-**	**-**	**-**	**(2,119)**	**-**	**(2,119)**
Conversion of warrants into ordinary shares	**-**	**-**	**-**	**-**	**19**	**19**
Other comprehensive income, net of tax*	**-**	**-**	**283,914**	**-**	**-**	**283,914**
At 31 December 2025	**-**	**(2,741,538)**	**80,837**	**20,273**	**56,204**	**(2,584,224)**
At 1 January 2024	21,395	-	-	23,161	56,185	100,741
Share-based payment expensed	573	-	-	-	-	573
Deferred tax recognised	-	-	-	410	-	410
Conversion of RCUIDS into ordinary shares	-	-	-	(1,708)	-	(1,708)
Deemed investment in subsidiaries	4,116	-	-	-	-	4,116
Expiry of share-based payments	(26,084)	-	-	-	-	(26,084)
At 31 December 2024	**-**	**-**	**-**	**21,863**	**56,185**	**78,048**

36. RETAINED EARNINGS AND RESERVES (CONT'D.)

Distribution reserve include amount due to shareholders of RM2,741,538,000 pursuant to the distribution of new ordinary shares in AAX ("AAX Shares"). This amount was concurrently debited to other reserves while awaiting the distribution of AAX shares. Following the completion of the distribution on 19 January 2026, both the payable and the reserve entries were reversed.

* The remaining fair value reserve is mainly attributable to a fair value adjustment of RM276,923,000 on the amount due from a related party, arising from the distribution of new ordinary shares in AAX that will be retained by the Company.

36.1 Share option reserves

The share option reserves is used to recognise the value of equity-settled share based payments provided to selected eligible employees and directors of the Group, as part of their remuneration. Refer to Note 34 for further details.

36.2 RCUIDS reserves

The RCUIDS reserves comprise the equity component of the RCUIDS. It represents the residual of the RCUIDS after deducting the fair value of the liability component and the embedded derivative component. The amount is presented net of transaction costs and deferred tax liabilities.

36.3 Warrant reserves

On 31 December 2021, the Company issued 649,675,479 warrants ("Warrants") pursuant to the Rights Issue of RCUIDS. The Warrants is constituted by a deed poll dated 18 November 2021. The warrant reserve comprises the fair value of the free detachable warrants arising from the Rights Issue.

The salient features of the Warrants are as follows:

(a) Each Warrant entitles the registered holder to subscribe for one new ordinary share of the Company at an exercise price of RM1.00 per Warrant at any time during the period from 31 December 2021 up to expiry date of the Warrants on 31 December 2028;

(b) The new ordinary shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing ordinary shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions which the entitlement date precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the Warrants;

(c) Any Warrants which have not been exercised at the expiry date of the Warrants on 31 December 2028 shall lapse and cease to be valid for any purposes.

Subsequent to the completion of the Proposed AAB and AAAGL Disposal, the exercise price of the Warrants was adjusted from RM1.00 to RM0.28 per ordinary share.

As at 31 December 2025, 640,035,136 (2024: 649,670,148) Warrants remain unexercised.

37. COMMITMENTS

Capital commitments not provided for in the financial statements are as follows:

	Group	
	2025 RM'000	2024 RM'000
Property, plant and equipment:		
- Approved and contracted for	**103,000**	108,247,519

The approved and contracted for capital commitments for the Group are in respect of operating plant and ground equipment purchase (2024: aircraft purchase). The future commitments are as follows:

	Group	
	2025 RM'000	2024 RM'000
Not later than 1 year	**103,000**	1,838,611
Later than 1 year and not later than 5 years	**-**	11,261,388
Later than 5 years	**-**	95,147,520
	103,000	108,247,519

38. Segmental information

Operating segments are reported in a manner consistent with the internal management reporting provided to the Board of Directors. On 27 January 2022, the shareholders have approved the change of the Company name to Capital A Berhad. The change of name offers a better reflection of the Group's core business and its future undertakings in tandem with its rapid transformation as it has gone beyond its beginnings as an airline into a digital travel and lifestyle services group which continues to gain strong momentum. This structural change would help facilitate strong projected growth in the Group's portfolio businesses. It will also set the tone of the Group as it expands into new horizons and allay concerns of being a group that was intrinsically an airline.

Consequently, the segmental information provided to the Board of Directors of the Company had been improved to reflect the focus on portfolio of businesses. The comparative segmental information have been restated to reflect the current classification.

38. SEGMENTAL INFORMATION (CONT'D.)

The segmental information provided to the Board of Directors for the reportable segments are as follows:

Group 2025	Engineering RM'000	Move RM'000	Teleport RM'000	Santan RM'000	AirAsia Next RM'000	Others RM'000	Total Segments RM'000	Elimination adjustments RM'000	Total RM'000
Revenue	**894,520**	**485,437**	**1,215,221**	**208,022**	**246,416**	**132,554**	**3,182,170**	**(1,315,231)**	**1,866,939**
Operating expenses									
- Staff costs	**(265,206)**	**(120,324)**	**(91,667)**	**(35,400)**	**(36,858)**	**(130,467)**	**(679,922)**	**-**	**(679,922)**
- Fuel costs	**-**	**-**	**(56,002)**	**-**	**-**	**-**	**(56,002)**	**52,316**	**(3,686)**
- Consumables	**(271,425)**	**-**	**-**	**-**	**-**	**-**	**(271,425)**	**-**	**(271,425)**
- Logistic expenses	**-**	**-**	**(843,359)**	**-**	**-**	**-**	**(843,359)**	**165,898**	**(677,461)**
- Marketing expenses	**(1,392)**	**(91,834)**	**(1,397)**	**(307)**	**(32,772)**	**(3,952)**	**(131,654)**	**19,716**	**(111,938)**
Other operating expenses	**(151,019)**	**(185,099)**	**(81,127)**	**(161,836)**	**(60,263)**	**(113,976)**	**(753,320)**	**117,952**	**(635,368)**
Other income	**-**	**(4,320)**	**(884)**	**4,016**	**1,169**	**11,333,676**	**11,333,657**	**(1,876)**	**11,331,781**
Earning/(Loss) before interest, tax and depreciation	**205,478**	**83,860**	**140,785**	**14,495**	**117,692**	**11,217,835**	**11,780,145**	**(961,225)**	**10,818,920**
Depreciation	**(56,884)**	**(7,790)**	**(29,796)**	**(4,669)**	**(7,474)**	**(1,266)**	**(107,879)**	**-**	**(107,879)**
Finance costs	**(55,046)**	**(13,485)**	**(56,098)**	**(159)**	**(14,887)**	**(76,468)**	**(216,143)**	**6,973**	**(209,170)**
Finance income	**9**	**2,703**	**21**	**-**	**-**	**49,578**	**52,311**	**(37,653)**	**14,658**
Net fair value loss on derivatives	**(2,519)**	**-**	**-**	**-**	**-**	**-**	**(2,519)**	**-**	**(2,519)**
Foreign exchange gain/(loss)	**25,331**	**(12,289)**	**(11,434)**	**(227)**	**14,590**	**(1,485)**	**14,486**	**-**	**14,486**
Profit/(Loss) before tax	**116,369**	**52,999**	**43,478**	**9,440**	**109,921**	**11,188,194**	**11,520,401**	**(991,905)**	**10,528,496**

38. SEGMENTAL INFORMATION (CONT'D.)

The segmental information provided to the Board of Directors for the reportable segments are as follows: (cont'd.)

Group 2025	Aviation RM'000	Elimination adjustments RM'000	Discontinued Operation RM'000	Continuing Operation RM'000	Total RM'000
Revenue	16,818,590	(293,960)	16,524,630	1,866,939	18,391,569
Operating expenses:-					
- Staff costs	(1,947,950)	-	(1,947,950)	(679,922)	(2,627,872)
- Aircraft fuel expenses	(5,618,914)	6,364	(5,612,550)	(3,686)	(5,616,236)
- Maintenance and overhaul	(3,968,298)	663,908	(3,304,390)	-	(3,304,390)
- User charges and other related expenses	(2,549,733)	381,207	(2,168,526)	-	(2,168,526)
- Consumables	-	-	-	(271,425)	(271,425)
- Logistic expenses	-	-	-	(677,461)	(677,461)
- Marketing expenses	(176,839)	-	(176,839)	(111,938)	(288,777)
Other operating expenses	(498,246)	284,008	(214,238)	(635,368)	(849,606)
Other income	108,210	-	108,210	11,331,781	11,439,991
Earning before interest, tax and depreciation	2,166,820	1,041,527	3,208,347	10,818,920	14,027,267
Depreciation	(1,938,663)	1,938,663	-	(107,879)	(107,879)
Finance costs	(1,536,155)	(8,762)	(1,544,917)	(209,170)	(1,754,087)
Finance income	162,852	-	162,852	14,658	177,510
Net fair value gains on derivatives	(10,280)	-	(10,280)	(2,519)	(12,799)
Share of results of associates	23,115	-	23,115	-	23,115
Foreign exchange gain	1,077,041	-	1,077,041	14,486	1,091,527
(Loss)/Profit before tax	(55,270)	2,971,428	2,916,158	10,528,496	13,444,654

38. SEGMENTAL INFORMATION (CONT'D.)

The segmental information provided to the Board of Directors for the reportable segments are as follows: (cont'd.)

Group 2024	Engineering RM'000	Move RM'000	Teleport RM'000	Santan RM'000	AirAsia Next RM'000	Others RM'000	Total Segments RM'000	Elimination adjustments RM'000	Total RM'000
Revenue	714,020	554,994	1,070,155	193,454	38,463	240,632	2,811,718	(1,102,036)	1,709,682
Operating expenses									
- Staff costs	(236,264)	(124,706)	(95,049)	(29,032)	(43,716)	(158,707)	(687,474)	5,453	(682,021)
- Fuel costs	-	-	(25,044)	-	-	-	(25,044)	25,044	-
- Consumables	(233,865)	-	-	-	-	-	(233,865)	-	(233,865)
- Logistic expenses	-	-	(861,680)	-	-	-	(861,680)	188,419	(673,261)
Other operating expenses	(103,740)	(335,078)	(36,040)	(155,492)	(120,741)	(169,508)	(920,599)	140,859	(779,740)
Other income	-	1,714	1,522	2,461	222,572	30,365	258,634	(227,610)	31,024
Earning/(Loss) before interest, tax and depreciation	140,151	96,924	53,864	11,391	96,578	(57,218)	341,690	(969,871)	(628,181)
Depreciation	(45,859)	(9,171)	(20,041)	(1,935)	(1,182)	(1,612)	(79,800)	18,282	(61,518)
Finance costs	(65,309)	(18,719)	(55,784)	(19)	(23,971)	(72,498)	(236,300)	71,053	(165,247)
Finance income	28	3,535	896	6	-	123,548	128,013	(126,574)	1,439
Foreign exchange gain/ (loss)	6,055	(2,232)	(1,115)	(27)	(31,239)	(9,029)	(37,587)	-	(37,587)
Profit/(Loss) before tax	35,066	70,337	(22,180)	9,416	40,186	(16,809)	116,016	(1,007,110)	(891,094)

38. SEGMENTAL INFORMATION (CONT'D.)

The segmental information provided to the Board of Directors for the reportable segments are as follows: (cont'd.)

Group 2024	Aviation RM'000	Elimination adjustments RM'000	Discontinued Operation RM'000	Continuing Operation RM'000	Total RM'000
Revenue	18,936,886	(321,796)	18,615,090	1,709,682	20,324,772
Operating expenses:-					
- Staff costs	(2,099,121)	-	(2,099,121)	(682,021)	(2,781,142)
- Aircraft fuel expenses	(7,097,236)	-	(7,097,236)	-	(7,097,236)
- Maintenance and overhaul	(3,894,492)	604,320	(3,290,172)	-	(3,290,172)
- User charges and other related expenses	(3,351,306)	260,471	(3,090,835)	-	(3,090,835)
- Consumables	-	-	-	(233,865)	(233,865)
- Logistic expenses	-	-	-	(673,261)	(673,261)
Other operating expenses	(1,448,412)	662,526	(785,886)	(779,740)	(1,565,626)
Other income	1,220,513	(160,463)	1,060,050	31,024	1,091,074
Earning/(Loss) before interest, tax and depreciation	2,266,832	1,045,058	3,311,890	(628,181)	2,683,709
Depreciation	(2,029,435)	572,100	(1,457,335)	(61,518)	(1,518,853)
Finance costs	(1,613,862)	14,415	(1,599,447)	(165,247)	(1,764,694)
Finance income	23,612	-	23,612	1,439	25,051
Net fair value gains on derivatives	4,779	-	4,779	-	4,779
Share of results of associates	3,846	-	3,846	-	3,846
Foreign exchange gain/(loss)	215,921	(3,265)	212,656	(37,587)	175,069
(Loss)/Profit before tax	(1,128,307)	1,628,308	500,001	(891,094)	(391,093)

38. SEGMENTAL INFORMATION (CONT'D.)

The segmental information provided to the Board of Directors for the reportable segments are as follows: (cont'd.)

Group 2025	Engineering RM'000	Move RM'000	Teleport RM'000	Santan RM'000	AirAsia Next RM'000	Others RM'000	Total Segments RM'000	Elimination adjustments RM'000	Total RM'000
Segment assets	1,207,443	1,167,397	679,110	43,788	4,808,521	9,925,895	17,832,154	(10,275,642)	7,556,512
Unallocated corporate assets									11,383
Total assets									7,567,895
Segment liabilities	634,007	507,466	800,614	23,977	5,051,101	5,056,496	12,073,661	(5,427,006)	6,646,655
Group 2024									
Segment assets	1,030,528	671,758	636,456	15,856	4,887,495	1,165,474	8,407,567	(6,366,548)	2,041,019
Unallocated corporate assets									11,383
Assets of disposal groups classified as held for sale									28,683,745
Total assets									30,736,147
Segment liabilities	584,745	671,406	742,151	17,606	5,211,381	1,272,591	8,499,880	(6,133,245)	2,366,635
Liabilities of disposal groups classified as held for sale									38,384,479
									40,751,114

39. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party disclosures.

Entities listed under investment in subsidiaries, associates and joint ventures are all considered related parties. Further, the following party with common shareholders and/or directors are also considered related parties for disclosure purposes.

(i) AirAsia X Berhad
(ii) Tune Insurance Malaysia Berhad
(iii) Thai AirAsia X Co. Ltd
(iv) AirAsia Berhad
(v) AirAsia Aviation Group Limited

All related party transactions were carried out on agreed terms and conditions.

Related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any key management personnel or their close family members, where applicable.

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
(a) Income:				
Turnaround charges and marketing funds charged by AGZ				
- AirAsia X Berhad	**-**	4,913	**-**	-
- Thai AirAsia X Co. Ltd.	**-**	673	**-**	-
Management fees charged to BAA (Note 4(a))	**-**	-	**10,000**	10,000
Brand license fees charged by BAA (Note 4(a))				
- AirAsia X Berhad	**18,764**	-	**-**	-
- AirAsia Aviation Group Limited	**20,424**	-	**-**	-
Commission from online travel and accommodation charged to				
- AirAsia X Berhad	**39,367**	39,141	**-**	-
- Thai AirAsia X Co. Ltd.	**9,568**	12,557	**-**	-
- AirAsia Berhad	**15,240**	-	**-**	-
- AirAsia Aviation Group Limited	**11,262**	-	**-**	-
Maintenance services charged by ADE to				
- AirAsia X Berhad	**44,146**	34,204	**-**	-
- Thai AirAsia X Co Ltd	**108**	420	**-**	-
- AirAsia Berhad	**53,253**	-	**-**	-
- AirAsia Aviation Group Limited	**17,345**	-	**-**	-
Commission on travel insurance for passengers charged to Tune Insurance Malaysia Berhad	**38,736**	35,040	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
(b) Recharges:				
Recharges of expenses to				
- AirAsia Berhad	**751,966**	-	**-**	-
- AirAsia Aviation Group Limited	**10,765**	-	**-**	-
- AirAsia X Berhad	**206,148**	954,915	**-**	-
- Thai AirAsia X Co. Ltd	**61,996**	525,768	**-**	-
(c) Other income/(expenses)				
Brand license fees charged by BAA (Note 4(b))				
- AirAsia X Berhad	**-**	15,296	**-**	-
Brand license fees charged by AAAGL (Note 4(b))				
- Thai AirAsia X Co. Ltd.	**-**	18,300	**-**	-
Purchase of cargo transportation capacity				
- AirAsia X Berhad	**(176,366)**	(164,555)	**-**	-
- Thai AirAsia X Berhad	**(53,975)**	(73,891)	**-**	-
- AirAsia Berhad	**(7,314)**	-	**-**	-
- AirAsia Aviation Group Limited	**(4,447)**	-	**-**	-
Management fees charged to				
- AirAsia X Berhad	**2,629**	13,000	**-**	-
- Thai AirAsia X Berhad	**5,805**	-	**-**	-
- AirAsia Berhad	**4,683**	-	**-**	-
- AirAsia Aviation Group Limited	**12,867**	-	**-**	-
Brand ambassador service fee charged to BAA (Note 4(b))	**-**	-	**18,000**	18,000

40. FINANCIAL INSTRUMENTS

Group	Measured at amortised costs RM'000	Measured at FVTPL RM'000	Measured at FVOCI RM'000	Total RM'000
31 December 2025				
Financial assets as per statements of financial position				
Investment securities (Note 16)	**9,259**	**15,018**	**143,649**	**167,926**
Derivative financial instruments (Note 20)	**-**	**22,928**	**-**	**22,928**
Receivables (excluding prepayments)	**370,878**	**-**	**-**	**370,878**
Amounts due from associates (Note 23)	**8,653**	**-**	**-**	**8,653**
Amounts due from related parties (Note 24)	**5,097,401**	**-**	**-**	**5,097,401**
Deposits, cash and bank balances (Note 25)	**432,612**	**-**	**-**	**432,612**
Total	**5,918,803**	**37,946**	**143,649**	**6,100,398**

Group (cont'd.)	Measured at FVTPL RM'000	Measured at amortised costs RM'000	Total RM'000
31 December 2025			
Financial liabilities as per statements of financial position			
Derivative financial instruments (Note 20)	**2,668**	**-**	**2,668**
Borrowings (Note 29)	**-**	**1,281,667**	**1,281,667**
Trade and other payables (Note 26)	**-**	**3,713,549**	**3,713,549**
Amounts due to associates (Note 23)	**-**	**116**	**116**
Amounts due to related parties (Note 24)	**-**	**1,254,708**	**1,254,708**
Lease liabilities (Note 31)	**-**	**305,209**	**305,209**
Total	**2,668**	**6,555,249**	**6,557,917**

Group	Measured at amortised costs RM'000	Measured at FVTPL RM'000	Measured at FVOCI RM'000	Total RM'000
31 December 2024				
Financial assets as per statements of financial position				
Investment securities (Note 16)	-	9,703	58,391	68,094
Derivative financial instruments (Note 20)	-	11,383	-	11,383
Receivables (excluding prepayments and deposits for aircraft)	333,371	-	-	333,371
Amounts due from associates (Note 23)	26,971	-	-	26,971
Amounts due from related parties (Note 24)	78,329	-	-	78,329
Deposits, cash and bank balances (Note 25)	431,185	-	-	431,185
Total	869,856	21,086	58,391	949,333

40. FINANCIAL INSTRUMENTS (CONT'D.)

Group (cont'd.)	Measured at FVTPL RM'000	Measured at amortised costs RM'000	Total RM'000
31 December 2024			
Financial liabilities as per statements of financial position			
Borrowings (Note 29)	-	1,475,684	1,475,684
Trade and other payables (Note 26)	-	659,519	659,519
Amounts due to associates (Note 23)	-	131	131
Amounts due to related parties (Note 24)	-	58,230	58,230
Lease liabilities (Note 31)	-	113,798	113,798
Total	-	2,307,362	2,307,362

Company	Measured at amortised costs RM'000	Measured at FVTPL RM'000	Measured at FVOCI RM'000	Total RM'000
31 December 2025				
Financial assets as per statements of financial position				
Investment securities (Note 16)	**1,490**	**-**	**110,864**	**112,354**
Derivative financial instruments (Note 20)	**-**	**11,383**	**-**	**11,383**
Receivables (excluding prepayments)	**3,286**	**-**	**-**	**3,286**
Amounts due from subsidiaries (Note 22)	**4,550,153**	**-**	**-**	**4,550,153**
Amounts due from related parties (Note 24)	**4,384,894**	**-**	**-**	**4,384,894**
Deposits, cash and bank balances (Note 25)	**15,160**	**-**	**-**	**15,160**
	8,954,983	**11,383**	**110,864**	**9,077,230**

Company	Measured at amortised costs RM'000
31 December 2025	
Financial liabilities as per statements of financial position	
Borrowings (Note 29)	**858,627**
Trade and other payables (Note 26)	**2,954,577**
Amounts due to subsidiaries (Note 22)	**48,414**
Amounts due to related parties (Note 24)	**581,586**
	4,443,204

40. FINANCIAL INSTRUMENTS (CONT'D.)

Group (cont'd.)	Measured at amortised costs RM'000	Measured at FVTPL RM'000	Total RM'000
31 December 2024			
Financial assets as per statements of financial position			
Receivables (excluding prepayments)	636	-	636
Amounts due from subsidiaries (Note 22)	4,819,900	-	4,819,900
Deposits, cash and bank balances (Note 25)	1,545	-	1,545
Derivative financial instruments (Note 20)	-	11,383	11,383
	4,822,081	11,383	4,833,464

Company	Measured at amortised costs RM'000
31 December 2024	
Financial liabilities as per statements of financial position	
Borrowings (Note 29)	906,696
Trade and other payables (Note 26)	6,917
Amounts due to subsidiaries (Note 22)	4,091,604
Amounts due to related parties (Note 24)	1,135
	5,006,352

41. FINANCIAL RISK MANAGEMENT POLICIES

The Group is exposed to market risk (including fuel price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group uses financial instruments such as interest rate swaps and caps, and foreign currency forwards to mitigate its financial risks.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes detailed policies such as risk identification and measurement, exposure limits and risk management strategies. Financial risk management policies and procedures are reviewed regularly to reflect changes in the market condition and the Group's activities.

The Group also seeks to ensure that the financial resources that are available for the development of the Group's businesses are constantly monitored and managed vis-a-vis its ongoing exposure to fuel price, interest rate, foreign currency, credit, liquidity and cash flow risks.

41. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D.)

The policies in respect of the major areas of treasury activities are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, jet fuel prices and interest rates. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimising the return on risk.

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate exposure arises from the Group's floating rate borrowings and is managed by entering into derivative financial instruments. Derivative financial instruments are used, as far as possible and where appropriate, to generate the desired fixed interest rate profile. Surplus funds are placed with reputable financial institutions.

If interest rate on borrowings at 31 December 2025 and 31 December 2024 had been 60 basis points higher or lower with all other variables held constant, the impact on the post-tax profits for the financial year and equity, as a result of an increase or decrease in the interest expense on floating borrowings are tabulated below. The impact on post-tax profit/loss are as follows:

	2025		2024	
	Impact on post-tax profit/equity		Impact on post-tax loss/equity	
	+60bps RM'000	-60bps RM'000	+60bps RM'000	-60bps RM'000
Group				
Increase/(decrease)	**(1,667)**	**1,667**	1,984	(1,984)

(ii) Foreign currency risk

The Group is exposed to foreign currency exchange risk. These exposures are managed, to the extent possible, by natural hedges that arise when payments for foreign currency payables are matched against receivables denominated in the same foreign currency or whenever possible, by intragroup arrangements and settlements.

The Group is exposed mainly to fluctuation in USD as borrowings are denominated in USD. Increase in USD rate versus RM will result in lower profitability and cause corresponding impact in cashflows.

As at 31 December 2025 and 31 December 2024, the Group has not hedged any of its USD denominated borrowings.

The Group's currency exposure profile of financial instruments denominated in currencies other than the functional currency is presented in the respective financial asset and financial liabilities notes.

41. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D.)

The policies in respect of the major areas of treasury activities are as follows: (cont'd.)

(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, cash and cash equivalents and other financial assets.

The Group's and the Company's exposure to credit risks or the risk of counterparties defaulting arises mainly from various deposits and bank balances, receivables and derivative financial instruments. As the Group and the Company do not hold collateral, the maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet.

Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised by monitoring receivables regularly. In addition, credit risks are also controlled as majority of the Group's deposits and bank balances and derivative financial instruments are placed or transacted with major financial institutions and reputable parties. The Directors are of the view that the possibility of non-performance by the majority of these financial institutions is remote on the basis of their financial strength and support of their respective governments.

The Group generally has no concentration of credit risk arising from trade receivables.

(c) Liquidity and cash flow risk

The Group's and the Company's policy on liquidity risk management is to maintain sufficient cash and cash equivalents and to have available funding through adequate amounts of committed credit facilities and credit lines for working capital requirements.

The management will continue to monitor liquidity reserves and rolling cash flow forecasts throughout the year based on the measures put in place and also potential impact from events outside the Group's control.

The table below analyses the Group's payables, non-derivative financial liabilities, gross-settled and net-settled derivative financial liabilities and the Company's payables into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

Group	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2025					
Borrowings					
- term loans	**98,969**	**149,582**	**-**	**-**	**248,551**
- convertible loan note	**92,558**	**92,571**	**-**	**-**	**185,129**
- RCUIDS	**216,112**	**203,014**	**353,638**	**-**	**772,764**
- Other facilities	**227,894**	**-**	**-**	**-**	**227,894**
Trade and other payables	**3,702,084**	**11,465**	**-**	**-**	**3,713,549**
Lease liabilities	**53,300**	**53,472**	**162,354**	**253,828**	**522,954**
Amounts due to associates	**116**	**-**	**-**	**-**	**116**
Amounts due to related parties	**1,254,708**	**-**	**-**	**-**	**1,254,708**
	5,645,741	**510,104**	**515,992**	**253,828**	**6,925,665**

41. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D.)

The policies in respect of the major areas of treasury activities are as follows: (cont'd.)

(c) Liquidity and cash flow risk (cont'd.)

Group	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2024					
Borrowings					
- term loans	100,351	92,616	124,885	-	317,852
- convertible loan note	90,839	111,606	105,925	-	308,370
- RCUIDS	220,656	207,283	374,447	-	802,386
- Other facilities	384,042	-	-	-	384,042
Trade and other payables	653,558	5,961	-	-	659,519
Lease liabilities	8,173	5,822	18,727	219,558	252,280
Amounts due to associates	131	-	-	-	131
Amounts due to related parties	58,230	-	-	-	58,230
	1,515,980	423,288	623,984	219,558	2,782,810

Company	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2025					
Borrowings					
- RCUIDS	**92,558**	**92,571**	**-**	**-**	**185,129**
- convertible loan note	**216,112**	**203,014**	**353,638**	**-**	**772,764**
Trade and other payables	**2,954,577**	**-**	**-**	**-**	**2,954,577**
Amounts due to subsidiaries	**48,414**	**-**	**-**	**-**	**48,414**
Amounts due to related parties	**581,586**	**-**	**-**	**-**	**581,586**
	3,893,247	**295,585**	**353,638**	**-**	**4,542,470**
At 31 December 2024					
Borrowings	-				
- RCUIDS	220,656	207,283	374,447	-	802,386
- convertible loan note	90,839	111,606	105,925	-	308,370
Trade and other payables	6,917	-	-	-	6,917
Amounts due to subsidiaries	4,091,604	-	-	-	4,091,604
Amounts due to related parties	1,135	-	-	-	1,135
	4,411,151	318,889	480,372	-	5,210,412

41. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D.)

(d) Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, or the capital allocation amongst the Group's and the Company's various businesses, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, take on new debts or sell assets to reduce debt.

The Group's and the Company's overall strategy remains unchanged from 2024.

Consistent with others in the industry, the Group and the Company monitors capital utilisation on the basis of the net gearing ratio. This net gearing ratio is calculated as net debts divided by total equity. Net debts are calculated as total borrowings (including "short-term and long-term borrowings" as shown in the Group's and the Company's balance sheet) add lease liabilities less deposit, cash and bank balances.

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Total borrowings (Note 29)	**1,281,667**	1,475,684	**858,627**	906,696
Lease liabilities (Note 31)	**305,209**	113,798	**-**	-
Less: Deposits, cash and bank balances (Note 25)	**(432,612)**	(431,185)	**(15,160)**	(1,545)
Net debts	**1,154,264**	1,158,297	**843,467**	905,151
Total equity	**921,240**	(10,014,967)	**5,262,389**	6,651,635
Net Gearing Ratio (times)	**1.25**	N/A	**0.16**	0.14

The Group's net gearing ratio for the financial year ended 31 December 2025 is 1.25 times, reflecting the Group's improved equity position and providing a meaningful measure of its financial leverage.

The Group's net gearing ratio for the year ended 31 December 2024 is not meaningful due to the Group being in a net equity deficit position. While the Group continues to rely on borrowings to fund its operations, the negative equity position renders the gearing ratio not representative of the Group's financial leverage for the year.

The Company is classified as a Practice Note 17 ("PN17") issuer under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Following completion of its regularisation plan, the Group no longer triggers the prescribed PN17 criteria as at the reporting date, with consolidated shareholders' equity exceeding 25% of issued share capital and RM40 million. This was achieved, in part, through the reduction of the Company's issued share capital by RM2,741,539,000 pursuant to the Distribution, which took effect on 16 January 2026 upon lodgement of the sealed order of the High Court of Malaya with the Registrar of Companies, as well as a further reduction of RM5,507,594,000 confirmed by the High Court of Malaya on 21 January 2026 under the Regularisation Plan.

The Company remains a PN17 issuer pending formal upliftment by Bursa Malaysia Securities Berhad.

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41. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D.)

(e) Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other current assets, and trade and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

Determination of fair value and fair value hierarchy

The Group's financial instruments are measured in the statement of financial position at fair value. Disclosure of fair value measurements are by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's and Company's assets and liabilities that are measured at fair value.

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2025				
Assets				
Financial assets at fair value through profit or loss				
- Early redemption option	**-**	**-**	**11,383**	**11,383**
- Warrants	**-**	**-**	**11,545**	**11,545**
Investment securities	**142,160**	**-**	**25,766**	**167,926**
	142,160	**-**	**48,694**	**190,854**
Liability				
Financial liability at fair value through profit or loss				
- Warrants	**-**	**-**	**2,668**	**2,668**
At 31 December 2024				
Assets				
Financial assets at fair value through profit or loss				
- Early redemption option	-	-	11,383	11,383
Investment securities	32,322	-	35,772	68,094
	32,322	-	47,155	79,477

41. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D.)

The policies in respect of the major areas of treasury activities are as follows: (cont'd.)

(e) Fair value measurement (cont'd.)

Determination of fair value and fair value hierarchy (cont'd.)

The following table presents the Group's and Company's assets and liabilities that are measured at fair value. (cont'd.)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2025				
Assets				
Financial assets at fair value through profit or loss				
- Early redemption option	-	-	11,383	11,383
Investment securities	110,864	-	1,490	112,354
	110,864	-	12,873	123,737
At 31 December 2024				
Assets				
Financial assets at fair value through profit or loss				
- Early redemption option	-	-	11,383	11,383

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices are readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques, including discounted cash flow projections.

42. DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Non-current assets or disposal groups are classified as held for sale if they meet certain conditions and their carrying amounts will be recovered principally through sale transactions rather than through continuing use. The condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject to terms that are usual and customary and the sale is highly probable.

Non-current assets or disposal groups held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such component represents a separate major line of business.

The following are the details of discontinued operations, assets held for sale and disposal group classified as held for sale:

(a) On 14 October 2024, the non-interested shareholders of Capital A Berhad had approved the Company to undertake the following corporate proposals:

(i) the proposed disposal of 100% equity interest in AirAsia Aviation Group Limited ("AAAGL") to AirAsia X Berhad ("AAX") for a disposal consideration of RM3,000.0 million to be satisfied entirely via the allotment and issuance of 2,307,692,307 new ordinary shares in AAX ("AAX Shares") at an issue price of RM1.30 each ("Proposed AAAGL Disposal");

(ii) the proposed disposal of 100% equity interest in AirAsia Berhad ("AAB") to AAX for a disposal consideration of RM3,800.0 million to be satisfied entirely via the assumption by AAX of an amount of RM3,800.0 million owing by the Company to AAB ("Proposed AAB Disposal"); and

(iii) the proposed distribution of new ordinary shares in AAX ("AAX Shares") to be received as consideration shares for the Proposed AAAGL Disposal of approximately RM2,200.0 million in value ("Distribution Shares"), to the entitled shareholders of the Company ("Entitled Shareholders") based on their respective shareholdings in the Company on an entitlement date to be determined later ("Entitlement Date") by way of distribution-in-specie via a reduction and repayment of the Company's share capital pursuant to Section 116 of the Companies Act 2016 ("Proposed Distribution").

(b) On 14 October 2024, the shareholders of the Company have approved the Proposals above though an extraordinary general meeting ("EGM").

The proposed disposals have been completed in financial year ended 2025 upon fulfilment of customary conditions precedent including regulatory approvals.

42. DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

Group

The assets to be received pursuant to the Proposed AAB and AAAGL Disposal is measured at the fair value on 3 December 2025.

	Group RM'000
Fair value of purchase consideration for the Proposed disposal of AAAGL	**3,738,462**
Consideration for the Proposed Disposal of AAB	**3,800,000**
Add: Net liabilities of AAAGL, AAB and their subsidiaries	**3,781,715**
Gain on disposal of subsidiaries (Note 4(b))	**11,320,177**

The net cash outflow arising from the deconsolidation of the subsidiaries is RM1,674,450,000.

The proceed from AAAGL Disposal:

The Proposed AAAGL Disposal entails the disposal by our Company of our AAAGL Equity Interest to AAX for the AAAGL Disposal Consideration of 2,307,692,307 new AAX Shares, representing RM3,738,461,537. The proceed from AAAGL disposal was included in the amounts due from related parties.

The proceed from AAB Disposal:

The AAB Disposal Consideration will be satisfied by way of AAX's assumption of our Company's debt due to AAB of RM3,800,000,000.

Company
During the financial year, the Company disposed the entire investment in AAB and AAAGL.

	AAB RM'000	AAAGL RM'000	Total RM'000
Total consideration	3,800,000	3,738,462	7,538,462
Carrying amount of investments	(6,173,257)	(3,494,856)	(9,668,113)
	(2,373,257)	243,606	(2,129,651)

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42. DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

The assets held for sale and disposal group classified as held for sale on the statements of financial position are as follows:

	Note	Group 2024 RM'000	Company 2024 RM'000
Assets			
Property, plant and equipment	11	1,127,435	-
Investment property	12	74,708	-
Investment in subsidiaries	13	-	6,199,535
Right-of-use assets	31	14,104,574	-
Finance lease receivables	31	141,136	-
Investment in associates	15	439,606	-
Investment securities	16	115,983	-
Intangible assets	17	3,991,259	-
Deferred tax assets	18	1,311,680	-
Receivables and prepayments	19	6,140,016	-
Deposits on aircraft purchase		405,822	-
Derivative financial instruments	20	2,304	-
Inventories	21	179,678	-
Amounts due from associates	23	6,006	-
Amounts due from related parties	24	16,591	-
Tax recoverable		2,700	-
Deposits, cash and bank balances	25	624,247	-
		28,683,745	6,199,535
Liabilities			
Trade and other payables	26	4,838,423	-
Long term debentures	30	742,319	-
Aircraft maintenance provisions and liabilities	27	7,629,679	-
Sales in advance	28	2,267,504	-
Amounts due to associates	23	57,092	-
Amounts due to related parties	24	475,688	-
Borrowings	29	4,417,503	-
Lease liabilities	31	16,837,360	-
Tax payables		104,118	-
Derivative financial instruments	20	1	-
Deferred tax liabilities	18	718,267	-
Provision for retirement benefits	32	296,525	-
		38,384,479	-

42. DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D.)

The results attributable to discontinued operations up to the date of disposal are as follows: (cont'd.)

	Note	Group 2025 RM'000	Group 2024 RM'000
Revenue	4(a)	**16,524,630**	18,615,090
Other income	4(b)	**108,210**	1,060,050
Operating expenses			
- Staff costs	5(a)	**(1,947,950)**	(2,099,121)
- Depreciation of property, plant and equipment	11	**-**	(59,252)
- Depreciation of right-of-use assets	31	**-**	(1,398,083)
- Aircraft fuel expenses	7(a)	**(5,612,550)**	(7,097,236)
- Maintenance and overhaul	7(b)	**(3,304,390)**	(3,290,172)
- User charges	7(c)	**(2,168,526)**	(3,090,835)
- Other operating expenses		**(391,077)**	(785,886)
Operating profit		**3,208,347**	1,854,555
Finance income	8(a)	**162,852**	23,612
Finance costs	8(b)	**(1,544,917)**	(1,599,447)
Net operating profit		**1,826,282**	278,720
Foreign exchange gain	8(c)	**1,077,041**	212,656
Net fair value gain on derivatives	8(d)	**(10,280)**	4,779
Share of results of associates		**23,115**	3,846
Profit before taxation		**2,916,158**	500,001
Taxation			
- Current taxation	9	**(15,367)**	(13,398)
- Deferred taxation	9	**7,402**	(65,380)
		(7,965)	(78,778)
Profit after taxation		**2,908,193**	421,223

The net cash flows incurred by the Group's discontinued operations are as follows:

	Group 2025 RM'000	Group 2024 RM'000
Operating cash flow generated from operating activities	**5,216,061**	4,686,740
Investing cash flow generated from investing activities	**166,486**	18,781
Financing cash flow used in financing activities	**(4,188,055)**	(3,524,241)

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 1.1.2025 RM'000	Cashflows: Drawdown RM'000	Cashflows: Repayments RM'000	Non-cash movement: Conversion of RCUIDS RM'000	Non-cash movement: Effect of proposed corporate exercise RM'000	Non-cash movement: Finance costs RM'000	Non-cash movement: Lease RM'000	Non-cash movement: Foreign exchange movement RM'000	At 31.12.2025 RM'000
Group									
Borrowings	**1,475,684**	**49,851**	**(294,454)**	**(39,165)**	**-**	**167,005**	**-**	**(77,254)**	**1,281,667**
Lease liabilities	**113,798**	**-**	**(43,119)**	**-**	**172,932**	**33,980**	**45,350**	**(17,732)**	**305,209**
					-	**90,077**	**-**	**(20,082)**	**858,627**
Company									
Borrowings	**906,696**	**-**	**(78,899)**	**(39,165)**					

	At 1.1.2024 RM'000	Cashflows: Drawdown RM'000	Cashflows: Repayments RM'000	Non-cash movement: Novation of debts RM'000	Non-cash movement: Conversion of RCUIDS RM'000	Non-cash movement: Finance costs RM'000	Non-cash movement: Lease RM'000	Non-cash movement: Foreign exchange movement RM'000	Non-cash movement: Transferred to disposal group (Note 42) RM'000	At 31.12.2024 RM'000
Group										
Borrowings										
- continuing operations	1,343,933	212,850	(109,302)	-	(55,119)	128,440	-	(45,118)	-	1,475,684
- discontinued operations	3,098,974	2,720,752	(1,163,493)	-	-	616,952	-	(855,682)	(4,417,503)	-
Lease liabilities										
- continuing operations	13,729	-	(4,597)	-	-	18,149	90,173	(3,656)	-	113,798
- discontinued operations	18,893,602	-	(5,081,500)	-	-	930,150	2,451,208	(356,100)	(16,837,360)	-
Company										
Borrowings	685,125	-	(71,337)	247,680	(55,119)	85,873	-	14,474	-	906,696

44. OTHER MATTERS

(a) Arbitration matter involving Mr. Christopher Davison and Mr. Navin Rajagopalan (as claimants) v Move Digital Sdn. Bhd. ("Move Digital"), AAB and BigPay (as respondents) at Singapore International Arbitration Centre in respect of disputes arising from the shareholder disputes in relation to BigPay

On 17 March 2017, the claimants, AAB and BigPay have entered into the following agreements in relation to the regulation of affairs of BigPay:

(1) Shareholders' agreement which sets out the terms governing the relationship between the shareholders of BigPay ("BigPay SHA"); and

(2) Investment agreement which sets out the terms and conditions relating to AAB's investment in BigPay ("BigPay IA").

On 18 November 2021, the claimants issued a notice of arbitration against Move Digital, AAB and BigPay under the Arbitration Rules of the Singapore International Arbitration Centre 2016, in respect of the decision taken by Move Digital to terminate the BigPay SHA and BigPay IA. The claimants, as minority shareholders of BigPay, claimed for breaches and wrongful termination of the BigPay IA and BigPay SHA by the respondents and minority oppression under section 216(1) of the Companies Act 1967 of Singapore ("Singapore Companies Act"). The claimants made claims in the region of USD140,000,000 to USD183,000,000 (equivalent to approximately RM545,090,000 to RM712,510,500*), and the main relief sought by the claimants was a buy-out by Move Digital of the shares held by the claimants in BigPay.

On 27 December 2024, the Singapore International Arbitration Centre issued a partial award wherein Move Digital was ordered to buy out the BigPay shares held by the claimants at the buyout price of USD14,736,000 (equivalent to approximately RM545,090,000 to RM712,510,500*). Based on the advice from our legal counsel, we continue to assess our prospects as good. Nevertheless, a provision of USD 14,700,000 has been recognised.

On 18 July 2025, the final award on costs was issued for Move Digital to pay the Claimants costs related to the arbitration in the amount of USD4,129,664 and simple interest on the costs awarded at the rate of 5.33% per annum from the 22nd day following the award until full payment.

Move Digital and AAB, through its solicitors, filed an application in the Singapore High Court in late March 2025 to set aside the aforementioned partial award. The application was heard in late September 2025 and dismissed in early December 2025. Move Digital and AAB appealed against the decision in late December 2025. The appeal is likely to be heard sometime in July 2026. In respect of this application, in mid-February 2026, Move Digital and AAB have been ordered to pay the Claimants' legal costs and disbursements amounting to SGD258,061.

An application to partially set aside the final award on costs has been filed by Move Digital and AAB. The Claimants have also filed an application to partially set aside the final award on costs. As Move Digital's and AAB's application to partially set aside the final award on costs is contingent on their application to partially set aside the partial award, the application has been stayed pending the determination of the appeal. As for the Claimants' application, it was heard in late March 2026 and the Court has reserved judgment.

In mid-December 2025, the Claimants applied for leave from the Singapore High Court to enforce the partial award, and obtained an ex parte order of court granting them such leave to enforce in late December 2025. The Claimants served the papers on Move Digital's and AAB's solicitors in early January 2026. Move Digital and AAB's application to set aside the enforcement order was dismissed in late March 2026. However, Move Digital and AAB have been granted a stay of enforcement of the partial award on the condition that they pay the full sum of USD 14,736,000 into Court by 28 April 2026.

* Note: Based on BNM's exchange rate of USD1.00:RM3.8935, being the middle rate published on BNM's website as at 25 February 2026.

44. OTHER MATTERS (CONT'D.)

(b) Malaysia Airlines Berhad ("MAS") and FlyFirefly Sdn. Bhd. ("Firefly") Trademark Infringement Against AirAsia MOVE

MAS and Firefly filed a legal action against AirAsia MOVE for unauthorised use of their trademarks. In January 2024, the High Court ruled in favour of MAS and Firefly, with damages to be assessed, though proceedings are stayed pending AirAsia MOVE's appeal. The appeal was heard on 19 June 2025, with a decision originally fixed for 23 October 2025, which was then rescheduled to 2 December 2025, and further postponed to 5 January 2026.

The Court of Appeal delivered its decision on 5 January 2026, dismissing AirAsia MOVE's appeal and upholding the High Court judgment. The next step is for AirAsia MOVE to apply for leave to appeal to the Federal Court, with the deadline falling on 4 February 2026. The motion for leave to appeal was filed by AirAsia MOVE's legal counsel on 3 February 2026.

The Federal Court has fixed the leave application for a physical hearing on 30 June 2026. Parties are to file their written submissions and ancillary papers by 15 June 2026.

Based on the advice from our legal counsel, we continue to assess our prospects as good. Nevertheless, a provision of RM7 million has been recognised.

(c) Cebu Air, Inc. ("Cebu") Trademark Infringement Against AirAsia MOVE

On 12 June 2024, Cebu filed a lawsuit against AirAsia MOVE in the Kuala Lumpur High Court ("Court") for unauthorised use of Cebgo trademarks on AirAsia MOVE's platform (both website and mobile application), in relation to the sale and promotion of Cebu's airline tickets. The trial, initially set for August 2025, has been rescheduled to 15, 16 and 23 January 2026 due to a change in judge.

The trial concluded on 23 January 2026, with both parties calling and cross-examining their witness. The Court has directed the filing of the Notes of Proceedings by 23 February 2026, followed by the filing and exchange of written submissions by 16 March 2026 (MOVE has filed its written submissions) and reply submissions by 6 April 2026. An oral clarification session is fixed on 17 April 2026, after which the Court is expected to set a decision date (either immediately or on a separate date).

Based on the advice from our legal counsel, we continue to assess our prospects as good. No provisions have been recognised to date.

45. SIGNIFICANT EVENTS

(a) Proposed Corporate Exercises

On 14 October 2024, the non-interested shareholders of Capital A Berhad had approved the Company to undertake the following corporate proposals:

1. the proposed disposal of our 100% equity interest in AirAsia Aviation Group Limited ("AAAGL") to AirAsia X Berhad ("AAX") for a disposal consideration of RM3,000.0 million to be satisfied entirely via the allotment and issuance of 2,307,692,307 new ordinary shares in AAX ("AAX Shares") at an issue price of RM1.30 each ("Proposed AAAGL Disposal");

2. the proposed disposal of 100% equity interest in AirAsia Berhad ("AAB") to AAX for a disposal consideration of RM3,800.0 million to be satisfied entirely via the assumption by AAX of an amount of RM3,800.0 million owing by our Company to AAB ("Proposed AAB Disposal"); and

45. SIGNIFICANT EVENTS (CONT'D.)

(a) Proposed Corporate Exercises (cont'd.)

On 14 October 2024, the non-interested shareholders of Capital A Berhad had approved the Company to undertake the following corporate proposals: (cont'd.)

3. the proposed distribution of new ordinary shares in AAX ("AAX Shares") to be received as consideration shares for the Proposed AAAGL Disposal of approximately RM2,200.0 million in value ("Distribution Shares"), to the entitled shareholders of our Company ("Entitled Shareholders") based on their respective shareholdings in our Company on an entitlement date to be determined later ("Entitlement Date") by way of distribution-in-specie via a reduction and repayment of our Company's share capital pursuant to Section 116 of the Companies Act 2016 ("Proposed Distribution").

As this corporate proposals resulted in the Group's exit from the Aviation business, the results and cash flows of the Aviation segment up to the completion date have been presented as discontinued operations in the financial statements of the Group as disclosed in Note 42.

The Company has submitted a supplemental application to the High Court of Malaya on 3 December 2025 to obtain an ancillary order from the High Court of Malaya pursuant to Section 116 of the Act for the reduction in Company's issued share capital pursuant to the Distribution by RM2,741,538,641 based on the closing market price of AAX Shares of RM1.62 on 3 December 2025, being the Entitlement Date and also the Accounting Completion Date for the Proposed AAAGL Disposal and Proposed AAB Disposal.

The High Court of Malaya has confirmed the reduction in Company's issued share capital pursuant to the Distribution by RM2,741,538,641 on 8 December 2025.

(b) Proposed Regularisation Plan

On 23 December 2024, the application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities on 23 December 2024.

On 7 March 2025, Bursa Securities had, vide its letter dated 7 March 2025, granted its approval for the Proposed Regularisation Plan, subject to the conditions as set out in Section 10 of the Circular.

On 15 April 2025, the Circular in relation to the Proposed Regularisation Plan has been issued to shareholders of the Company and the extra general meeting was held on 7 May 2025.

The Company has submitted a petition to the High Court of Malaya on 3 December 2025 to obtain an order from the High Court of Malaya pursuant to Section 116 of the Act for the reduction in the Company's issued share capital pursuant to the Proposed Regularisation Plan by RM5,507,594,000.

46. SUBSEQUENT EVENTS

(a) Proposed Corporate Exercises

The AAAGL Disposal has been completed on 16 January 2026 in accordance with the terms and conditions of the AAAGL SSPA following the settlement of the AAAGL Disposal Consideration via the allotment and issuance of 2,307,692,307 Consideration Shares (including the Distribution Shares) by AAX to Capital A and the Entitled Shareholders of Capital A under the Distribution on even date. Consideration Shares were listed and quoted on the Main Market of Bursa Securities on 19 January 2026. Accordingly, the Distribution has been completed following the listing of and quotation for 1,692,307,692 Distribution Shares on the Main Market of Bursa Securities on even date.

46. SUBSEQUENT EVENTS (CONT'D.)

(a) Proposed Corporate Exercises (cont'd.)

The AAB Disposal has also been completed on 16 January 2026 in accordance with the terms and conditions of the AAB SSPA following the settlement of the AAB Disposal. Consideration via the Debt Settlement whereby AAX has assumed an amount of RM3,800,000,000 owing by Capital A to AAB on even date.

The AAB Disposal has also been completed on 16 January 2026 in accordance with the terms and conditions of the AAB SSPA following the settlement of the AAB Disposal. Consideration via the Debt Settlement whereby AAX has assumed an amount of RM3,800,000,000 owing by Capital A to AAB on even date.

The reduction in the Company's issued share capital by RM2,741,538,641.04 pursuant to the Distribution has taken effect upon the lodgement of the sealed order of the High Court of Malaya with the Registrar of Companies on 16 January 2026.

As at the date of this report, the transfer of the shares in AAB and AAAGL has yet to be reflected in the register of members of AAB and AAAGL respectively pending the endorsement of stamp duty exemption on the instruments of transfer by the Inland Revenue Board of Malaysia.

(b) Proposed Regularisation Plan

The High Court of Malaya has confirmed the reduction in the Company's issued share capital pursuant to the Regularisation Plan by RM5,507,594,000 on 21 January 2026.

The Capital Reduction has taken effect upon the lodgement of the sealed order of the High Court of Malaya with the Registrar of Companies on 23 January 2026. Accordingly, the Regularisation Plan has been completed following the completion of the Capital Reduction on even date.

(c) Geographical Developments

We have considered the effects of the Middle East conflict in respect of the judgements and assumptions used in the preparation of financial statements for the financial year ended 31 December 2025. We believe that the consequences of the Middle East conflict to the Company and to the Group, have been adequately assessed by us and no material impact to the Company and the Group.

While market sentiment initially responded to the volatility of the Middle East geopolitics, the fundamental business model of Capital A remains resilient. Following the completion of the aviation divestment on 3 December 2025, Capital A no longer faces direct fuel cost impacts, except for Teleport, where the impact remains contained as higher fuel costs are effectively passed through to customers via surcharges and fee adjustments.

The Group's performance will be affected should the airlines, specifically AirAsia X Berhad decide to embark on capacity management as a response to the global fuel hike, which will result in lower projected passenger carried. As airlines reduce flight capacity and frequency, AirAsia Move and AirAsia Next should expect a lower collection of commission on flight tickets and brand license fees, and Santan may experience reduced supply of inflight meals. However, these impacts will be somewhat mitigated through high fares and fuel surcharge. Despite these operational shifts, other segments like ADE and Teleport maintain a stable outlook with minimal expected disruption to their near term performance and growth.

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FORM OF PROXY

CAPITAL A BERHAD
(Registration No. 201701030323 (1244493-V))
(Incorporated in Malaysia)

CDS Account No. (Nominees Account Only)	
No of Shares Held	

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

Mobile No. _____ of _____
[FULL ADDRESS]

_____ E-mail address _____

being a member of CAPITAL A BERHAD ("our Company") hereby appoint:

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

*and/or

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

*or failing him/her, THE CHAIRMAN OF THE MEETING, as my/our proxy(ies) to vote in my/our name and on my/our behalf at the Ninth Annual General Meeting ("9th AGM") of the Company to be held at The Summit 1, Connexion Conference & Event Centre (The Vertical) Level M1, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Tuesday, 16 June 2026 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:

		FOR	AGAINST
Ordinary Business			
Ordinary Resolution 1	Approval of payment of directors' fees, allowances and benefits to the Non-Executive Directors for the period from 17 June 2026 until the next Annual General Meeting of the Company in 2027		
Ordinary Resolution 2	Re-election of Tan Sri Anthony Francis Fernandes as Director		
Ordinary Resolution 3	Re-appointment of Messrs. BDO PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration		
Special Business			
Ordinary Resolution 4	Authority to issue and allot shares		
Ordinary Resolution 5	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 6	Proposed Renewal of Share Buy-Back Authority		

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

**Delete if not applicable.*

Signed this _____ day of _____2026

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

IMPORTANT NOTES

APPOINTMENT OF PROXY

(i) A member is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where two (2) proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.

(ii) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

(iii) A member who is an exempt authorised nominee for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.

(iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

(v) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by our Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned meeting:

a. <u>In hard copy form</u>
In the case of an appointment made in hard copy, the Form of Proxy must be duly executed and deposited at the Registered Office of the Company at Wisma Capital A, 19-04-02, 19, Lorong Dungun, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia. **Faxed, photocopied and electronic scanned copies of the duly executed form of proxy are not acceptable.**

b. <u>By electronic forms</u>
In the case of an appointment made via electronic means, the Form of Proxy can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at https://srmy.vistra.com. Please refer to the Administrative Note for further information on submission via The Portal.

(vi) Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Rule 41(a) of the Company's Constitution, only those Foreigners (as defined in the Constitution) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total number of issued shares of the Company, on a first-in-time basis based on the Record of Depositors to be used for the forthcoming AGM, shall be entitled to vote. A proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote. Consequently, all such disenfranchised voting rights shall be automatically vested in the Chairman of the AGM.

(vii) For the purpose of determining members who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at 9 June 2026. Only depositors whose names appear on the Record of Depositors as at 9 June 2026 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

(viii) Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities, all resolutions set out in the notice of AGM will be put to vote by poll.

(ix) By submitting the duly executed Form of Proxy, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the AGM or any adjournment thereof.

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STAMP

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

Wisma Capital A, 19-04-02,
19, Lorong Dungun,
Bukit Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur, Malaysia

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

Wisma Capital A
19-04-02, No.19 Lorong Dungun,
Bukit Damansara,
50490 Kuala Lumpur

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