

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

LETTER OF INTENT IN RESPECT OF THE PROPOSED BUSINESS COMBINATION BETWEEN AETHERIUM ACQUISITION CORP ("GMFI") AND THE COMPANY ("LETTER OF INTENT")

1. INTRODUCTION

On behalf of the Board of Directors of the Company ("**Board**"), RHB Investment Bank Berhad wishes to announce that the Company had on 1 November 2023 entered into a letter of intent with GMFI, a special purpose acquisition corporation ("**SPAC**") listed on the National Association of Securities Dealers Automated Quotations ("**NASDAQ**") in the United States of America ("**USA**") for the proposed business combination between GMFI and Capital A International ("**CAPI**"), a special purpose corporation to be formed by the Company under the laws of Cayman Islands or a newly formed entity ("**Proposed Business Combination**"). The Proposed Business Combination entails the acquisition of all the issued and outstanding share capital of CAPI by GMFI, that will result in CAPI becoming a new publicly listed company on NASDAQ. Further details on the proposed businesses of CAPI are elaborated in Section 2 of this announcement.

The Company had triggered the prescribed criteria under Practice Note 17 ("**PN17**") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). As such, pursuant to Paragraph 5 of PN17 of the Listing Requirements, the Company has an obligation to regularise its financial condition and is required to comply with, amongst others, the following:

- (i) submit a regularisation plan to the regulatory authorities; and
- (ii) announce on the details of the regularisation plan with all the requirements set out in Paragraph 4.2 of PN17 of the Listing Requirements.

The Proposed Business Combination will form part of the proposed regularisation plan to be undertaken by the Company to regularise its financial position.

A detailed announcement on the Proposed Business Combination will be made upon the signing of a definitive agreement for the Proposed Business Combination ("**Definitive Agreement**"). Each of the Company and GMFI shall hereinafter be individually known as the "**Party**" and collectively as the "**Parties**".

2. INFORMATION ON CAPI

The Company intends to form CAPI under the laws of Cayman Islands. The intended principal business of CAPI is to be an ASEAN based investment and strategic development firm that leverages on the AirAsia trade name and brand image ("**AirAsia Brand**") and core capabilities to construct a multifaceted portfolio of assets and businesses in the domains of aviation, travel and hospitality, and digital technologies. It is also intended that CAPI will also be involved in tactical acquisition, incubation, and partnerships to provide platforms for growing entrepreneurs to leverage on. CAPI intends to generate revenue from brand royalty and leasing of aircraft.

After incorporation of CAPI, CAPI will acquire the following from the Company:

- (i) 100% equity interest in Brand AA Sdn Bhd ("**Brand AA**"), the registered proprietor for all the rights in AirAsia Brand, which is principally involved in the brand management of the AirAsia Brand. Under a master brand licensing agreement dated 31 May 2023 ("**MBLA**")^(a), Brand AA has the right to collect royalty fees from AirAsia Aviation Group Limited ("**AAAGL**"), the exclusive licensee of the AirAsia Brand for AAAGL's aviation related business^(b); and

- (ii) 100% equity interest in Fleet Consolidated Pte Ltd (“**Fleet Consolidated**”), which will primarily be responsible for the procurement and delivery of the requisite aircraft for the aviation group based on the agreed allocation plan.

Notes:

- (a) *The MBLA was executed between AirAsia Berhad and AAAGL on 31 May 2023. Subsequently, on 27 June 2023, AirAsia Berhad, the Company and Brand AA executed an IP assignment agreement for the transfer of all the rights in the AirAsia Brand to Brand AA.*
- (b) *Pursuant to the brand sub-licensing agreements executed between AAAGL and each of the airline operating companies (“**AOCs**”) within Capital A and the subsidiaries (“**the Group**”) which uses the AirAsia Brand, AAAGL has the right to collect a sub-license royalty fee from the AOCs for the use of the AirAsia Brand.*

Upon its formation, CAPI will be a wholly-owned subsidiary of the Company.

3. **INFORMATION ON GMFI**

GMFI is Delaware corporation listed on NASDAQ in the USA as a special purpose acquisition corporation which may acquire a business in any industry or geographical location.

As at the date of this Announcement, GMFI has 6,394,503 shares outstanding comprising of 3,519,503 Class A common stock (“**GMFI Class A Stocks**”) and 2,875,000 Class B common stock (“**GMFI Class B Stocks**”). GMFI Class A Stocks are traded on NASDAQ, whereas its GMFI Class B Stocks are held by the sponsor, directors, officers and other initial stockholders of GMFI.

Upon completion of the Proposed Business Combination:

- (i) the public shareholders of the GMFI Class A Stocks will be provided with the opportunity to redeem part or all of their GMFI Class A Stocks; and
- (ii) the GMFI Class B Stocks will be automatically converted into GMFI Class A Stocks on a 1-for-1 basis, subject to adjustment for stock splits, stock dividends, reorganisations, recapitalisations and such similar entitlements.

The shareholders of GMFI Class A Stocks and GMFI Class B Stocks have similar voting rights as a single class, except where required by the laws of USA.

Aetherium Capital Holdings LLC (“**GMFI’s Sponsor**”) holds 2,875,000 GMFI Class B Stocks representing 44.96% of the total outstanding shares in GMFI. Jonathan Chan, the chairman and chief executive officer of GMFI and as manager of Aetherium Capital Holdings LLC, has voting and dispositive power over the shares owned by Aetherium Capital Holdings LLC.

As at the date of this Announcement, the directors of GMFI are Jonathan Chan, Lim How Teck, Mariana Lou and Charles Abelmann.

4. KEY TERMS AND CONDITIONS OF THE LETTER OF INTENT

The key terms and conditions of the Letter of Intent are as follows:

4.1 Equity Value

GMFI will ascribe to CAPI for purposes of the Proposed Business Combination an indicative equity value of United States Dollars (“**USD**”) 1 billion and the Additional Net Cash Proceeds (as defined in Section 4.3 of this Announcement) received by CAPI, if any, prior to the signing of the Definitive Agreement and retained by CAPI until the closing of the Proposed Business Combination (“**Closing**”) (“**Equity Value**”). On the basis that there is no indebtedness or liabilities on the part of CAPI, the Equity Value will not be subject to adjustments based on CAPI’s indebtedness, working capital, assets or liabilities, and there will be no escrows, holdbacks, post-closing adjustments or indemnities in the Definitive Agreement.

4.2 Structure

The Parties will enter into the Definitive Agreement where GMFI or a newly formed entity will acquire up to 100% of the outstanding equity securities of CAPI from the Company.

The Parties will endeavour to structure the Proposed Business Combination in a manner intended to optimise the tax-efficiency of the transaction to the Parties as well as giving effect to the business, legal and accounting considerations of the Parties.

In consideration of the Proposed Business Combination the Company prior to the Closing will receive, in the aggregate:

- (i) a number of newly issued Class A Common Stock (“**Consideration Shares**”); and
- (ii) senior redeemable convertible securities to be issued by the combined company (“**Consideration Securities**”),

equal to the Equity Value. The exact proportion of the Consideration Shares and the Consideration Securities shall be determined and mutually agreed by the Parties prior to signing of the Definitive Agreement.

All outstanding options, restricted stock units and other rights to acquire equity securities of CAPI shall remain outstanding in accordance with their respective terms and shall be issued under and be subject to the terms and conditions of the equity incentive plan (“**EIP**”) and any employee stock purchase plan (“**ESPP**”), to be implemented following the Closing.

4.3 Negotiation of the Definitive Agreement and Timing

The execution of the Definitive Agreement is subject to the completion of confirmatory due diligence reviews by the Parties. The Parties expect to complete due diligence and negotiate and execute the Definitive Agreement as soon as practicable but in any event no later than 3 months from the execution of the Letter of Intent (“**Proposed Signing Date**”).

In connection with the Definitive Agreement, the Parties will negotiate in good faith and mutually agree on a minimum cash condition (“**Additional Net Cash Proceeds**”), which will be included in the Definitive Agreement.

4.4 Financial Statements of GMFI

GMFI is required to file a proxy ("**Proxy Statement**"), and an F-4 registration statement ("**F-4**") with the United States Securities Exchange Commission ("**SEC**") as promptly as practicable after the execution of the Definitive Agreement.

As such, in conjunction with the preparation of the Proxy Statement and the F-4 and any other filings required to be made by GMFI with the SEC ("**SEC Filings**"), as soon as is practically possible after the execution and delivery of the Letter of Intent, CAPI will deliver to GMFI the following:

- (i) the financial report audited by the Public Company Accounting Oversight Board in USA ("**PCAOB**") as required under federal securities laws to be included in the SEC Filings; and
- (ii) any financial or other information required by GMFI to prepare pro forma financial statements required under federal securities laws to be included in the SEC Filings.

4.5 Conditions to Closing

The respective obligations of each Party to complete the Proposed Business Combination are subject to the satisfaction, or written waiver by both Parties, at or prior to the date of the Closing ("**Closing Date**") of the following conditions, among others:

- (i) approval by the board of directors of GMFI ("**GMFI Board**") prior to the execution of the Definitive Agreement;
- (ii) approval by the board of directors of CAPI and the Company prior to the execution of the Definitive Agreement;
- (iii) approval from Bursa Securities for the Company to implement its Proposed Regularisation Plan which comprises of, amongst others, the Proposed Business Combination shall have been obtained;
- (iv) approval of the Company's shareholders at an extraordinary general meeting to be convened for the Proposed Regularisation Plan which comprises of, among others, the Proposed Business Combination shall have been duly obtained;
- (v) approval of the holders of the Company's 7-year redeemable convertible unsecured Islamic debt securities of RM974.5 million in nominal value ("**RCUIDS**") for the Proposed Regularisation Plan shall have been duly obtained;
- (vi) approval of the relevant government authorities including the Central Bank of Malaysia shall have been duly obtained;
- (vii) any approval/consent of any relevant governmental entity, financiers/lenders or any third party, as may be necessary, being obtained by CAPI or the Company, the Company's subsidiary, or any relevant companies for the Proposed Business Combination to be undertaken by the Company prior to the completion of the Proposed Business Combination and the Proposed Regularisation Plan;

- (viii) the adoption and approvals of GMFI's stockholders at a duly convened meeting ("**GMFI Stockholder Meeting**") for the following:
 - (a) approval for the Proposed Business Combination which will be set out in the Proxy Statement and the Definitive Agreement prior to Closing;
 - (b) approval and adoption of an EIP and ESPP; and
 - (c) approval of the directors' election proposal for the Proposed Business Combination;
- (ix) the Parties shall have received all necessary clearances, authorisations, and other approvals from governmental entities, including termination or expiration of all applicable antitrust waiting periods as required under the relevant laws and regulations;
- (x) the F-4 shall have become effective and not withdrawn, and no stop order or proceedings for that purpose shall have been initiated or threatened by the SEC;
- (xi) the Consideration Shares shall be approved for listing upon Closing by a nationally recognised stock exchange;
- (xii) no governmental entity having jurisdiction over any Party shall have issued any order, decree, ruling, injunction, or other action restraining, enjoining, or otherwise prohibiting the completion of the Proposed Business Combination, and no law or regulations shall have been adopted that makes completion of the Proposed Business Combination illegal or otherwise prohibited; and
- (xiii) the ancillary agreements entered into in connection with the Proposed Business Combination shall be in full force and effect and shall not have been rescinded by any of the parties thereto.

4.6 Private Investment in Public Equity

GMFI has, as of the date of the Letter of Intent, USD29.99 million in its trust account, which is subject to reasonable underwriting fees. GMFI shall use reasonable best efforts to restructure such underwriting fees, including the potential waiver of such fees.

GMFI and CAPI will:

- (i) endeavour to secure financing in the form of private investments in GMFI's publicly traded shares of common stock ("**PIPE Investment**") on a best-efforts basis; and
- (ii) mutually agree on the PIPE Investment process, including with respect to the price and allocation of the PIPE Investment, the placement agents, strategy, marketing materials and overall outreach. Such financing shall be fully committed at the time of the signing of the Definitive Agreement.

4.7 Sponsor Agreements

Simultaneously with the execution of the Definitive Agreement, Aetherium Capital Holdings LLC will enter into a support agreement pursuant to which the GMFI's Sponsor will agree to:

- (i) not redeem any of its shares in GMFI ("**GMFI Shares**") prior to the Closing;
- (ii) vote its GMFI Shares in favour of the Proposed Business Combination and the related proposals set forth in the Proxy Statement; and
- (iii) waive any antidilution rights of the GMFI's Sponsor founder shares. In addition, and in connection with the Definitive Agreement, the Parties will negotiate in good faith certain modifications to, and/or restructuring of, the GMFI's Sponsor founder shares and/or private placement warrants, which such modification and/or restructuring will be included in such support agreement.

4.8 Conditions to Obligation for GMFI

The obligations of GMFI to complete the Proposed Business Combination are subject to the satisfaction, or written waiver by GMFI, at or prior to the Closing Date of the following conditions, among others:

- (i) All representations and warranties shall be true and correct in all respects (disregarding any qualifiers as to "materiality" or "material adverse effect"), except for failures that would not be reasonably likely to have, individually or in the aggregate, a material adverse effect provided, that all fundamental representations of CAPI shall be true and correct in all respects, except for trivial inaccuracies;
- (ii) CAPI shall have performed or complied with in all material respects all obligations required to be performed or complied with by it under the Definitive Agreement at or prior to the Closing Date; and
- (iii) CAPI's management shall have delivered to GMFI a counterpart signature page to any ancillary agreements to which it or any of its affiliates is a party.

4.9 Conditions to Obligation for CAPI

The obligations of CAPI to complete the Proposed Business Combination are subject to the satisfaction at or prior to the Closing Date of the following conditions, among others:

- (i) All representations and warranties shall be true and correct (disregarding any qualifiers as to "materiality" or "material adverse effect"), except for failures that would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect; provided, that all fundamental representations of CAPI shall be true and correct in all respects except for de minimis inaccuracies;
- (ii) GMFI shall have performed or complied with in all material respects all obligations required to be performed or complied with by it under the Agreement at or prior to the Closing Date;
- (iii) GMFI and its affiliates and subsidiaries have voted their shares of Class A common stock (redeemable and non-redeemable) and Class B common stock in favour of the Proposed Business Combination and seek to complete the completion of the Proposed Business Combination;
- (iv) Specified directors and officers of GMFI shall have resigned, effective as of the Closing;

- (v) The F-4 shall have become effective and not withdrawn, and no stop order or proceedings for that purpose shall have been initiated or threatened by the SEC;
- (vi) The Consideration Shares shall be approved for listing upon Closing by a nationally recognised stock exchange; and
- (vii) GMFI shall have delivered a counterpart signature page to any ancillary agreements to which it is a party.

4.10 Confidentiality Agreement

The Parties acknowledge and affirm the terms of the non-disclosure agreement dated as of 15 September 2023 between the GMFI and Capital A.

4.11 Exclusivity

In consideration of the time, effort and expense to be undertaken by the Parties in connection with the Proposed Business Combination, the Parties agree that during the period from the execution of the Letter of Intent and ending at the expiration or termination of the Letter of Intent ("**Exclusivity Period**"), the Parties will not, and will cause their representatives not to, solicit or initiate, engage in or enter into discussions, negotiations or transactions with, or knowingly encourage, or provide any information to, any other person or entity concerning any merger, share exchange, asset acquisition, share purchase, financing transaction, business combination, reorganization or similar transaction involving such Party with such other person or entity ("**Competing Transaction**"). The Parties shall, upon execution of the Letter of Intent, immediately suspend any pre-existing discussion with third parties other than the respective other Party regarding any Competing Transaction.

4.12 Non-Binding Commitment

Save for the confidentiality agreement as disclosed in Section 4.10 of this Announcement and the exclusivity as disclosed in Section 4.11 of this Announcement ("**Binding Matters**"), the Letter of Intent and all terms contained therein shall be non-binding upon the Parties. The Letter of Intent is intended to express only a mutual, non-binding indication of interest in the Proposed Business Combination. No agreement providing for the Proposed Business Combination or any other transaction or the participation by either Party in a transaction will exist unless and until the Definitive Agreement has been executed and delivered by the Parties. Each Party will not have and irrevocably waives any claims against each other or any of their representatives arising from or in relation to the Proposed Business Combination other than those in relation to the Binding Matters or pursuant to the Definitive Agreement.

4.13 Termination

The Letter of Intent can be terminated due to the following:

- (i) by the mutual written agreement of the Parties to terminate the Letter of Intent;
- (ii) by either Party if the Definitive Agreement is not signed by the Proposed Signing Date;
- (iii) upon execution and delivery of the Definitive Agreement; or
- (iv) in the event that GMFI ceases to be listed on or has been delisted from the NASDAQ in the USA.

The termination of the Letter of Intent shall be by way of a written notice provided by the terminating Party to the other Party and shall be effective once the non-terminating Party receives such written notice to terminate the Letter of Intent. Upon termination, the Letter of Intent will be deemed null and void and have no further force or effect, and all obligations and liabilities under the Letter of Intent or relating to the Proposed Business Combination will terminate. However, the termination of the Letter of Intent will not relieve any of the Parties of liability for such Party's pre-termination wilful and material breach.

4.14 Governing Law and Consent to Jurisdiction

The Letter of Intent shall be governed by and construed in accordance with the internal laws of the State of Delaware. The Parties agree to waive any right to a jury trial with respect to all disputes arising out of the Letter of Intent.

5. RATIONALE FOR THE PROPOSED BUSINESS COMBINATION

The Proposed Business Combination provides an opportunity for the Company to unlock the value of the AirAsia Brand. The Company is expected to record a one-off gain from the Proposed Brand Combination and thereby is expected to improve the shareholders' equity of the Group in its effort to regularise its financial conditions.

Upon the completion of the Proposed Business Combination, the Group will have exposure to the capital markets in the USA through NASDAQ. The Proposed Business Combination will result in the AirAsia Brand and the leasing businesses of the Group ("**Disposed Business**") being listed and traded on NASDAQ. The Group will also be able to indirectly participate in the profit of the Disposed Business via its holding of the Consideration Shares and the Consideration Securities post completion of the Proposed Business Combination.

6. EFFECTS ON THE PROPOSED BUSINESS COMBINATION

The pro forma effects of the Proposed Business Combination on the issued share capital, substantial shareholders' shareholdings, shareholders' equity, gearing, earnings and earnings per share of the Company will be included in the detailed announcement on the Proposed Business Combination to be made upon the signing of the Definitive Agreement.

7. RISK FACTORS

The risk factors relating to the Proposed Business Combination, which may not be exhaustive, are set out below:

7.1 Non-completion risk

The Letter of Intent is subject to negotiation on the terms and conditions to be contained in the Definitive Agreement and the subsequent execution of the Definitive Agreement. There can be no assurance that the full terms and conditions of the Proposed Business Combination would be successfully concluded, and consequently the Proposed Business Combination may be terminated.

Furthermore, the completion of the Proposed Business Combination is subject to the approvals as set out in Section 8 of this Announcement being obtained. In the event any of the approvals are not obtained, the Parties will not be able to complete the Proposed Business Combination and all the potential benefits arising therefrom will not materialise.

The completion of the Proposed Business Combination is also conditional upon the satisfaction or waiver (as the case may be) of the conditions to closing in the Definitive Agreement. In the event any of the conditions precedent contained in the Definitive Agreement are not satisfied or waived (as the case may be), the Proposed Business Combination may be delayed or terminated and all the potential benefits arising therefrom may not materialise.

7.2 Loss of income

Upon completion of the Proposed Business Combination, the Company would lose a source of revenue and potential profit contribution from the royalty income from the use of the AirAsia Brand.

Notwithstanding the above, the Company is expected to realise a pro forma gain arising from the Proposed Business Combination which is expected to improve the shareholders' equity of the Group in its effort to regularise its financial conditions. Furthermore, the Group will also be able to indirectly participate in the profit of the Disposed Business via its holding of the Consideration Shares and the Consideration Securities post completion of the Proposed Business Combination.

8. APPROVALS REQUIRED

The Proposed Business Combination is subject to the execution of the Definitive Agreement and approvals being obtained from the following:

- (a) Bursa Securities for the Proposed Regularisation Plan;
- (b) the shareholders of the Company at an extraordinary general meeting to be convened for the Proposed Regularisation Plan;
- (c) the holders of the RCUIDS for the Proposed Regularisation Plan;
- (d) approval of the relevant government authorities including the Central Bank of Malaysia shall have been duly obtained;
- (e) SEC declaring the F-4 effective under the Securities Act of 1933 and not withdrawn, and no stop order or proceedings for that purpose shall have been initiated or threatened by the SEC;
- (f) the approval of the stockholders of GMFI at the GMFI Stockholder Meeting for the following:
 - (i) approval for the Proposed Business Combination which will be set out in the Proxy Statement and the Definitive Agreement prior to Closing;
 - (ii) approval and adoption of an EIP and ESPP; and
 - (iii) approval of the directors' election proposal for the Proposed Business Combination;
- (g) approval for the listing upon Closing of the Consideration Shares to be issued as consideration by a nationally recognised stock exchange;
- (h) all necessary clearances, authorisations, and other approvals from governmental entities, including termination or expiration of all applicable antitrust waiting periods have been received by the Parties; and

- (i) any approval/consent of any relevant governmental entity, financiers/lenders or any third party, as may be necessary, being obtained by CAPI or the Company, the Company's subsidiary, or any relevant companies for the Proposed Business Combination to be undertaken by the Company prior to the completion of the Proposed Business Combination and the Proposed Regularisation Plan.

9. INTEREST OF DIRECTORS, CHIEF EXECUTIVE, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors or chief executive or major shareholders of the Company and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Business Combination.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Letter of Intent will be made available for inspection at the Registered Office of the Company at RedQ, Jalan Pekeliling 5, Lapangan Terbang Antarabangsa Kuala Lumpur, 64000 KLIA, Selangor Darul Ehsan from Mondays to Fridays (except public holidays) during normal business hours for a period of 3 months from the date of this Announcement.

This Announcement is dated 1 November 2023.