
THE DE-SPAC TRANSACTION

NO SPECIFIC DE-SPAC TARGET IDENTIFIED

As of the date of this offering circular we have not selected any specific De-SPAC Target and we have not, nor has anyone on our behalf, engaged in any substantive discussions, directly or indirectly, with any De-SPAC Target with respect to a De-SPAC Transaction. Furthermore, the Directors confirm that as at the date of this offering circular, the Company has not entered into any binding agreement with respect to a potential De-SPAC Transaction. The Listing Rules require that we must announce a De-SPAC Transaction within 24 months of the Listing Date and complete a De-SPAC Transaction within 36 months of the Listing Date. These time limits may be extended for up to six months pursuant a vote by ordinary resolution of the holders of the Class A Shares (with the Promoters and their close associates abstaining from voting) and upon approval by the Stock Exchange. If the time limits are so extended, the De-SPAC Transaction must be announced or completed, as applicable, within such extended time limits.

FOCUS OF DE-SPAC TARGETS

In identifying our De-SPAC Targets, we intend to concentrate our efforts on technology-enabled companies in new economy sectors (such as green energy, life sciences, advanced technology and manufacturing) in Asia, with a focus on China. See “*Business – De-SPAC Transaction Criteria*” for our criteria in evaluating prospective De-SPAC Targets.

Following the Offering, we intend to commence our search for potential De-SPAC Targets, and expect to attract opportunities on account of the reputation and track record of the Promoters and the Directors and the Company’s officers. We also anticipate that potential De-SPAC Targets will be brought to our attention by various affiliated and unaffiliated sources, including the Promoters, the Directors and the Company’s officers, investment bankers and private investment funds. These sources may also introduce us to potential De-SPAC Targets in which they think we may be interested.

We do not intend to pay any finder’s fees, reimbursement, consulting or other similar fees to the Promoters, the Directors or the Company’s officers prior to, or in connection with any services rendered in order to effectuate a De-SPAC Transaction. In connection with identifying a De-SPAC Target and negotiating and executing a De-SPAC Transaction, we may utilise the professional services of our Promoters’ affiliates, and (subject to compliance with applicable Listing Rule requirements on connected transactions) expect to compensate them on market standard, arms’ length terms.

Subject to compliance with any applicable Listing Rules requirements, the following payments may be made to the Promoters and their affiliates and, if made prior to the De-SPAC Transaction, will be made from funds held outside the Escrow Account or from interest and other income earned on the funds held in the Escrow Account:

- reimbursement for any out-of-pocket expenses related to identifying, investigating, negotiating and completing the De-SPAC Transaction; and

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- repayment of any loans drawn under the Loan Facility or any other financing which may be provided by the Promoters or their affiliates to cover Offering-related and organisational expenses and to finance expenses incurred in connection with identifying potential De-SPAC Targets and executing the De-SPAC Transaction.

ELIGIBILITY OF DE-SPAC TARGETS

The Stock Exchange will consider a De-SPAC Transaction in the same way as a reverse takeover under Chapter 14 of the Listing Rules (i.e. a deemed new listing). For this reason, the Successor Company (i.e. the Company following the completion of the De-SPAC Transaction) needs to satisfy all new listing requirements under the Listing Rules. These include minimum market capitalisation, financial eligibility, sponsor appointment, due diligence and documentary requirements. In addition, depending on the new economy sector in which the De-SPAC Target operates, there may be other eligibility criteria which the Successor Company would need to comply with. For example, there are eligibility requirements which apply to biotech companies seeking listing under Chapter 18A of the Listing Rules.

At the time of entry into a binding agreement for the De-SPAC Transaction, the De-SPAC Target must have a fair market value equal to at least 80% of the funds we raise in the Offering (prior to any redemptions). The Board will make the determination as to the fair market value of a De-SPAC Target, and may take into account the negotiated value of the De-SPAC Target as agreed by the relevant parties, the opinion of the sponsors of the De-SPAC Transaction, the amount committed by, and involvement of and validation by the independent third party investors, and the valuation of comparable companies. If the Board is not able to independently determine the fair market value of a De-SPAC Target (including with the assistance of financial advisors), we may obtain an independent valuation with respect to the fair market value of the De-SPAC Target.

NEED FOR INDEPENDENT THIRD PARTY INVESTMENTS AS A TERM OF THE DE-SPAC TRANSACTION

The terms of a De-SPAC Transaction must include investment in the shares of the Successor Company by third party investors who (a) are Professional Investors and (b) meet certain independence requirements as stipulated in the Listing Rules. Such investment must include significant investment from sophisticated investors (as defined by the Stock Exchange from time to time).

The investments made by the independent third party investors in the De-SPAC Transaction must result in their beneficial ownership of the listed shares in the Successor Company.

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The total funds to be raised from independent third party investors must constitute at least the following percentage:

<u>Negotiated value of the De-SPAC Target</u>	<u>Minimum independent third party investment as a percentage of the negotiated value of the De-SPAC Target</u>
Less than HK\$2,000,000,000	25%
HK\$2,000,000,000 or more but less than HK\$5,000,000,000	15%
HK\$5,000,000,000 or more but less than HK\$7,000,000,000	10%
HK\$7,000,000,000 or more	7.5%

The Stock Exchange may accept a lower percentage than 7.5% in the case of a De-SPAC Target with a negotiated value larger than HK\$10,000,000,000. The minimum independent third party investment will have to be committed and demonstrated to the Stock Exchange prior to the Company announcing the De-SPAC Transaction.

EVALUATING AND STRUCTURING A DE-SPAC TRANSACTION

In evaluating a prospective De-SPAC Target, we will need to ensure that the Successor Company will satisfy all new listing requirements under the Listing Rules as further described in “*Eligibility of De-SPAC Targets*” above.

We expect to conduct a due diligence review which may encompass, among other things, meetings with incumbent management and employees, document reviews, interviews of customers, suppliers and financiers, inspection of facilities, as applicable, as well as a review of business, financial, operational, legal, valuation and other information which will be made available to us. If we determine to move forward with a particular De-SPAC Target, we will proceed to structure and negotiate the terms of the De-SPAC Transaction.

We will only complete a De-SPAC Transaction if the Successor Company acquires 50% or more of the outstanding voting securities of the De-SPAC Target or otherwise acquires a controlling interest in the De-SPAC Target.

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STOCK EXCHANGE PROCESS TO ANNOUNCE A DE-SPAC TRANSACTION

We will need to complete the following process before a De-SPAC Transaction can be announced and completed. In addition, the completion of a De-SPAC Transaction will be subject to the satisfaction of other conditions as agreed between the Company, the Promoters, the De-SPAC Target and/or the owners of the De-SPAC Target, which will be set out in the announcement and the listing document for the De-SPAC Transaction.

Announcement and Listing Document Requirements

The announcement of the terms of a De-SPAC Transaction and the listing document for the De-SPAC Transaction, which must satisfy the technical requirements under the Listing Rules, must be submitted to the Stock Exchange prior to publication and must not be published until the Stock Exchange has no comments on such documents. The listing document for the De-SPAC Transaction must contain all the information required for a new listing application and a reverse takeover under the Listing Rules (including the guidance letters published by the Stock Exchange), must include prominent disclosure of the potential dilution effect of the De-SPAC Transaction as well as other disclosures required under Listing Rule 18B.51, and must meet all the relevant prospectus requirements of C(WUMP)O.

Shareholders' Approval

A De-SPAC Transaction must be made conditional on approval by the Shareholders at a general meeting. Shareholders and their close associates must abstain from voting on the relevant resolution(s) at the general meeting if they have a material interest in the De-SPAC Transaction. The Promoters and their respective close associates are regarded as having a material interest in a De-SPAC Transaction and must abstain from voting on such resolutions. In addition, if the De-SPAC Transaction results in a change of control, any outgoing controlling shareholders and their close associates must not vote in favour of the relevant resolution(s). See “*Description of the Securities – Description of the Ordinary Shares*” for additional information.

The terms of the independent third party investments to complete a De-SPAC Transaction and any earn-out rights to be granted to the Promoters entitling them to receive additional shares in the Successor Company after completion of the De-SPAC Transaction must also be subject to the Shareholders' approval at the general meeting. See “*Description of the Securities*” for additional information.

De-SPAC Transactions Involving Connected De-SPAC Targets or conflicts of interest

We may pursue a De-SPAC Transaction which may constitute a connected transaction under the Listing Rules, in which case we (i) will comply with the applicable connected transactions requirements under Chapter 14A of the Listing Rules (including, if required, obtaining independent shareholders' approval and the advice of independent financial adviser), and (ii) we are required under the Listing Rules to demonstrate that minimal conflicts of

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interest exist in relation to the proposed De-SPAC Transaction, provide support with adequate reasons that the De-SPAC Transaction would be on an arm’s length basis, and include an independent valuation of the De-SPAC Transaction in the listing document for such transaction.

Listing Approval

The terms of a De-SPAC Transaction must include a condition that the transaction will not be completed unless listing approval of the Successor Company’s shares is granted by the Stock Exchange. The De-SPAC Transaction will be treated by the Stock Exchange as a reverse takeover, which means that the Successor Company must meet all new listing requirements under the Listing Rules.

Waiver under the Hong Kong Takeovers Code from the SFC

The Takeovers Code applies to the Company. A De-SPAC Transaction may result in a change of control of the Company. Rule 26.1 of the Takeovers Code, which imposes an obligation to make a mandatory general offer, will apply if the De-SPAC Transaction results in the owner(s) of the De-SPAC Target obtaining 30% or more of the voting rights in the Successor Company.

An application to the SFC for a waiver from Rule 26.1 must be made in accordance with the requirements of the Takeovers Code and the grant of such waiver (which will be considered on a case-by-case basis) must be obtained prior to the announcement of a De-SPAC Transaction. The terms of such waiver must be included in the announcement of the De-SPAC Transaction and be reviewed by the SFC prior to publication.

EARN-OUT RIGHTS TO BE ISSUED TO THE PROMOTERS

The Promoters are entitled to receive additional Class A Shares upon the completion of a De-SPAC Transaction, subject to approval at the extraordinary general meeting of the Shareholders convened to approve the De-SPAC Transaction, and the Promoters and their close associates cannot vote on the relevant resolution regarding the Earn-out Right. See “*Description of Securities – Promoters’ Earn-out Right*” for further details.

DEADLINES FOR A DE-SPAC TRANSACTION

The Company must make an announcement of the terms of a De-SPAC Transaction as soon as possible after finalisation of the terms within 24 months of the date of the Listing and must complete a De-SPAC Transaction within 36 months of the date of the Listing. In either case, the Company may request for an extension of up to six months of the relevant deadlines from the Stock Exchange (but the Stock Exchange retains discretion to approve or reject the request).

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A request for an extension must include a confirmation that the Shareholders have approved the extension by an ordinary resolution at a general meeting (on which the Promoters and their respective close associates must abstain from voting).

REDEMPTION RIGHTS FOR SPAC SHAREHOLDERS IN RELATION TO A DE-SPAC TRANSACTION

Prior to a general meeting to approve a De-SPAC Transaction or to approve an extension of time, the Company will provide Class A Shareholders with the opportunity to elect to redeem all or part of their holdings of Class A Shares (for an amount per Class A Share which must not be less than HK\$10.00 per Class A Share, being the Class A Share Issue Price set out in this offering circular) to be paid out of the monies held in the Escrow Account. The election period will start on the date of the notice of such general meeting and end on the date of that general meeting.

The redemption and return of funds to the redeeming Class A Shareholders must be completed (i) in the case of a De-SPAC Transaction, within five business days following the completion of the associated De-SPAC Transaction or (ii) in the case of an extension of time, within one month of the approval of the relevant resolution at the general meeting. There is no limit to the number of Class A Shares which a Class A Shareholder (alone or together with their close associates) may redeem.

For details of the Shareholders’ rights to redeem all or part of their holdings of Class A Shares, see “*Description of the Securities – Redemption rights of holders of Class A Shares*”.

RETURN OF FUNDS AND DELISTING

The Stock Exchange may suspend trading in the Company’s securities if it fails to meet these deadlines (extended or otherwise). Following such suspension, the Company must, within one month of the suspension, return the funds raised from the Offering by distributing or paying to all Class A Shareholders the monies held in the Escrow Account on a pro rata basis, for an amount per Class A Share that must not be less than HK\$10.00 per Class A Share, being the Class A Share Issue Price set out in this offering circular. Upon the return of such funds, the Stock Exchange will cancel the listing of the Class A Shares and the Listed Warrants.

FURTHER FUNDING

In addition to the mandatorily required third party investment in connection with a De-SPAC Transaction as described above, we may seek to raise additional funds through a private offering of debt or equity securities, loans, advances or other indebtedness, including pursuant to forward purchase agreements or backstop agreements we may enter into following the completion of the Offering.

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As at the date of this offering circular, other than the Loan Facility provided to us by the Promoters to finance our working capital requirements if required, we are not a party to any arrangement or understanding with any third party with respect to raising any additional funds through loans, the sale of securities or otherwise. None of the Promoters, Directors, officers of the Company, or Shareholders is required to provide any financing to us in connection with or after the De-SPAC Transaction.

COST AND EXPENSES

Any costs incurred with respect to the identification and evaluation of, and negotiation with, a prospective De-SPAC Target with which a De-SPAC Transaction is not ultimately completed, will not be paid from funds in the Escrow Account and will result in our incurring losses. We will not pay any consulting fees to members of our senior management team, or any of their respective affiliates, for services rendered to us or in connection with our De-SPAC Transaction.

RISK FACTORS

There are risks relating to the De-SPAC Transaction. See “*Risk Factors – Risks relating to the Company and the De-SPAC Transaction*”.

US LAW CONSIDERATIONS IN RESPECT OF A DE-SPAC TRANSACTION

US Bank Holding Company Act and related matters

Background

CMB, an affiliate of one of our Promoters, is treated as a BHC under the BHCA. CMBI, a wholly-owned subsidiary of CMB, is expected to have functional control over our governance and activities prior to a De-SPAC Transaction through its control of the Promoters, and will likely be considered to “control” the Company, as such term is defined under the BHCA. As a result, the De-SPAC Transaction and the operations of the Successor Company may be subject to the BHCA.

De-SPAC Targets’ Activities

As described above, we have not selected any De-SPAC Target and we have not, nor has anyone on our behalf, initiated any substantive discussions, directly or indirectly, with any De-SPAC Target with respect to a De-SPAC Transaction with us. When we evaluate potential De-SPAC Targets, we will consider the BHCA implications of a De-SPAC Transaction with such De-SPAC Targets.

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In general, we expect that if the Company acquires a U.S. entity in the De-SPAC Transaction, the BHCA will apply. If the company acquires a non-U.S. entity that engages in some activities within the United States, the applicability of the BHCA will depend on the structure of the De-SPAC Transaction and the percentage of the entity’s U.S. activities as compared to its worldwide, non-U.S. business. If the U.S. business is incidental to the non-U.S. business as defined under the BHCA, the BHCA may not apply. If the BHCA applies to the De-SPAC Transaction, we may require regulatory approvals in the United States, which may not be granted in a timely manner or at all, and if we are able to complete the De-SPAC Transaction, the Successor Company could become subject to the supervision and regulation of the United States Federal Reserve. These potential consequences under the BHCA may therefore reduce our attractiveness to potential De-SPAC Targets.

The Volcker Rule

The Volcker Rule added Section 13 to the BHCA. This section restricts banking entities, such as CMBI, absent an applicable exclusion or exemption, from acquiring or retaining any equity, partnership or other ownership interests in, or sponsoring, a covered fund. When we evaluate potential De-SPAC Targets, we will consider the Volcker Rule implications of a De-SPAC Transaction with such De-SPAC Targets.