OVERVIEW

We are a newly incorporated Cayman Islands exempted company which has been formed for the purpose of effecting a De-SPAC Transaction with one or more De-SPAC Targets.

We have not selected any specific De-SPAC Targets and we have not, nor has anyone on our behalf, engaged in any substantive discussions concerning a De-SPAC Transaction. While we may pursue a De-SPAC Target in any business or industry globally, we intend to primarily focus on high-quality companies in China that (i) are specialized in smart car technologies, or (ii) possess supply chain and cross-border e-commerce capabilities that position them to benefit from domestic consumption upgrading trends.

We expect to incur significant costs in evaluating potential De-SPAC Targets and in negotiating and executing a De-SPAC Transaction. If we are successful, we intend to consummate the De-SPAC Transaction using (i) cash from the [REDACTED] of the [REDACTED]; (ii) [REDACTED] from the [REDACTED] of the Class B Shares and the Promoter Warrants; (iii) [REDACTED] from independent third party investments; (iv) funds from any forward purchase agreements or backstop agreements we may enter into following the [REDACTED]; (v) loans from the Promoters or their affiliates, if any, under the Loan Facility or other arrangements; (vi) shares issued to the owners of the De-SPAC Target and (vii) any other equity or debt financing, or a combination of the foregoing.

BASIS OF PRESENTATION

Our historical financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by International Accounting Standards Board. Our historical financial statements have been prepared based on historical costs, which are generally based on the fair value of the consideration given in exchange for goods or services.

No statement of cash flows has been prepared because we did not have any cash flows from January 20, 2022 to January 28, 2022, nor did we have any cash or cash equivalents at any point during the period. The Stock Exchange considers short-term securities issued by governments with a minimum credit rating of (a) A-1 by Standard & Poor's Ratings Services; (b) P-1 by Moody's Investors Service; (c) F1 by Fitch Ratings; or (d) an equivalent rating by a credit rating agency acceptable to the Stock Exchange as cash equivalents.

Our accounting policies are described in Note 3 to the Accountant's Report included in Appendix I to this document, which include (i) the treatment of the Class A Shares as financial liability, initially recognized at fair value minus such remaining expenses and subsequently amortized to profit or loss of the Company using the effective interest method, (ii) the treatment of the [REDACTED] Warrants as liabilities that are initially recognized at fair value and any subsequent changes in fair value are recognized in profit or loss, and (iii) the treatment of the Promoter Warrants and the conversion rights of the Class B Shares as equity-settled share-based payments. The fair value of equity-settled share-based payments is measured at the grant date and not subsequently remeasured, and such fair value is recognized to profit or loss on a straight line basis over the vesting period with a corresponding increase in equity.

RESULTS OF OPERATIONS

We did not generate any revenue from January 20, 2022, our date of incorporation, to January 28, 2022. We incurred expenses of HK$62,167 from January 20, 2022 to January 28, 2022. As at January 28, 2022, we had no assets and had current liabilities of HK$62,167.

SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENT

Financial liabilities and equity

(i) Equity instruments

An equity instruments is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by us are recognized at the proceeds received, net of direct issue costs.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest or at FVTPL.

Financial liabilities at amortized cost

Financial liabilities, including shares issued by us subject to redemptions are subsequently measured at amortized cost, using the effective interest method. Class A Shares will be initially recognized at fair value minus transaction cost that are directly attributable to issue of the financial liabilities and subsequently measured at amortized cost using the effective interest method.

*Financial liabilities at fair value through profit or loss ("**FVTPL**")*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL. Financial instruments over the Company's shares (such as [REDACTED] Warrants issued in the [REDACTED]) that do not meet the definition of equity instruments under IAS 32 Financial Instruments: Presentation are classified as derivative liabilities. They are initially recognized at fair value. Any directly attributable transaction costs are recognized in profit or loss. Subsequent to initial recognition, these financial instruments are carried at fair value with changes in fair value recognized in the profit or loss. [REDACTED] Warrants are classified as derivative liabilities as they contain settlement option that could not meet the criterion in IAS 32 for equity classification. They are initially recognized at fair value by the use of Monte Carlo Model. Any subsequent change in fair value are recognized in the profit or loss.

(iii) Share-based payments

Where equity instruments are awarded to employees and others providing similar services, the fair value of services received is measured by reference to the fair value of the equity instruments at the grant date. Such fair value is recognized in profit or loss over the vesting period with a corresponding increase in equity.

At the end of each reporting period, we revise its estimates of the number of equity instruments that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss, with a corresponding adjustment in equity.

For those arrangements where the terms provide either to us or the counterparty with a choice of whether we settle the transaction in cash (or other assets) or by issuing equity instruments, we shall account for that transaction, or the components of that transactions, as a cash-settled share-based payment transaction if, and to the extent that, we have incurred a liability to settle in cash (or other assets). Otherwise, the share-based payment transaction is accounted for an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred. The Promoter Warrants and the conversion rights of the Class B Shares are determined to be equity-settled share-based payment on which the vesting of the Promoter Warrants and the conversion rights of the Class B Shares are tied to the services provided by the Promoters in relation to the completion of the De-SPAC Transaction.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY RESOURCES OF ESTIMATION UNCERTAINTY

In the application of our accounting policies which is disclosed in note 3 to the Accountant's Report, we are required to make judgements, estimate and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Classification of the instruments issued or to-be-issued by our Company

The Company has assessed whether the instruments issued or to be issued by our Company should be accounted for as share-based payments within the scope of IFRS 2 or as financial instruments within the scope of IAS 32 Financial Instruments. This assessment involves consideration of all terms and conditions attached to the instruments and as to whether the instruments were issued by the Company for a service to the Company, potentially at a discount or subject to service or performance conditions.

The Directors assessed that the conversion rights of the Class B Shares and Promoter Warrants are considered to be share-based payments in scope of IFRS 2. These conversion rights of the Class B Shares and Promoter Warrants will be issued to the Promoters in return for the various activities and services performed on behalf of the Company, most significantly the successful identification of a De-SPAC Target and the consummation of a De-SPAC Transaction.

(ii) Fair value measurement

A number of assets and liabilities to be issued by us to be included in the upcoming financial year ending financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of our financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible.

Inputs using in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are in the fair value hierarchy.

A number of items at fair value:

- Financial liability at amortize cost — Class A Shares;
- Derivative financial instruments — [REDACTED] Warrants; and
- Share-based payment — Conversion right of the Class B Shares and Promoter Warrants.

(iii) Going concern assumptions

As explained in note 2(d) of historical financial statements have been prepared on a going concern basis even though as at January 28, 2022, we have net liabilities of HK$62,167. In view of the circumstances, we have given careful consideration of the future liquidity and performance of the Company and its available sources of financing in assessing whether we will be able to continue as a going concern for a least the next twelve months from the end of the reporting period (i.e. January 28, 2022) and to meet the obligation, as and when they fall due. Certain measure as stated in section headed "Financial Information — Liquidity and Capital Resources" have been and are being taken to manage the liquidity needs and to improve our financial position.

We have not engaged in any operations to date. Our only activities since inception have been organizational activities and those necessary to prepare for the [REDACTED]. Following the [REDACTED], we will not generate any operating revenues until after completion of the De-SPAC Transaction. We may generate non-operating income in the form of interest and other income on the [REDACTED] from the [REDACTED] and the sale of the Class B Shares and the Promoter Warrants, and we might receive loans from the Promoters or their affiliates in addition to the Loan Facility. After the [REDACTED], we expect our expenses to increase substantially as a result of being a publicly listed company (in connection with legal, financial reporting, accounting and auditing compliance obligations), as well as for due diligence and other transactional expenses in connection with any potential De-SPAC Transaction.

The Reporting Accountant has stated a "material uncertainty related to going concern" in the accompanying financial statements, signifying that the conditions above raise substantial doubt about the Company's ability to continue as a going concern. We intend to address this uncertainty through the [REDACTED] of [REDACTED] Class B Shares and [REDACTED] Promoter Warrants for an aggregate amount of HK$[REDACTED] in proceeds and by entering into the Loan Facility, which provides us with a working capital credit line of up to HK$[REDACTED] million that we may draw upon if required.

LIQUIDITY AND CAPITAL RESOURCES

We expect to receive gross [REDACTED] of HK$[REDACTED] from the [REDACTED], which will be deposited in the Escrow Account. The funds in the Escrow Account may be released only to complete the De-SPAC Transaction, satisfy redemption requests of Class A Shareholders, and return funds to Class A Shareholders upon the suspension of [REDACTED] of the Class A Shares and the [REDACTED] Warrants or upon the winding up or liquidation of the Company. We may withdraw interest or other income earned on funds held in the Escrow Account to pay for our expenses and taxes, if any, prior to the completion of the De-SPAC Transaction. Except for interest or other income on funds held in the Escrow Account, we will not be able to utilize the funds in the Escrow Account to pay our expenses or otherwise satisfy our capital requirements.

We expect our primary capital requirements prior to the completion of the De-SPAC Transaction to include the following:

- approximately HK$[REDACTED] million for expenses related to the [REDACTED], which will be paid upon completion of the [REDACTED] (which does not include the deferred [REDACTED] payable to the [REDACTED] of the [REDACTED] upon the completion of a De-SPAC Transaction), accounting, legal and other expenses as well as the SFC transaction levy, Stock Exchange trading fee and FRC transaction levy;

- approximately HK$[REDACTED] million for general working capital, which will be used for miscellaneous expenses and reserves prior to the completion of the De-SPAC Transaction; and

- expenses relating to the De-SPAC Transaction, the amount of which we are currently unable to estimate.

These amounts are estimates and may differ materially from our actual expenses. As part of the preparation for the proposed [REDACTED], the Company estimated the amount of the operating expenses required during the period prior to consummating a De-SPAC Transaction, including the expenses related to sourcing a De-SPAC Target and negotiating De-SPAC Transaction terms. The Company will monitor its expenses on an ongoing basis and endeavor to keep the costs within the Company's primary sources of liquidity (i.e. the proceeds from the sale of Class B Shares and the Promoter Warrants, together with the Loan Facility from the Promoters). By leveraging the business insights, investment advisory experience, deal sourcing and execution expertise of our Promoters, Directors and senior management, we believe that we are well positioned to manage our operating expenses when conducting negotiations and performing due diligence on potential De-SPAC Targets. Furthermore, the Company will negotiate coverage of due diligence and transaction expenses relating to a successful De-SPAC Transaction with the confirmed De-SPAC Target. The Company expects that such expenses will be borne by the Successor Company from its own capital resources (including readily available cash) and the proceeds of the third-party investment required by the Listing Rules.

In addition to the above, upon the completion of the De-SPAC Transaction, we are required to pay the [REDACTED] a deferred [REDACTED] of up to HK$[REDACTED] million, which will be paid as part of the expenses for the De-SPAC Transaction.

The following are the primary sources of liquidity to satisfy our capital requirements prior to the completion of the De-SPAC Transaction, and the funds from these sources will be held outside the Escrow Account:

- approximately HK$[REDACTED] in proceeds from the sale of the Class B Shares and the Promoter Warrants; and

- the Loan Facility from the Promoters in an aggregate principal amount of up to HK$[REDACTED] million, which we can draw down on to finance our expenses if the proceeds from the sale of the Class B Shares and the Promoter Warrants described above and the interest and other income from funds held in the Escrow Account are insufficient.

We do not believe that we will need to raise additional funds following this [REDACTED] to meet the expenditures required for operating our business prior to the De-SPAC Transaction. However, if our estimates of the costs of identifying a De-SPAC Target, undertaking in-depth due diligence and negotiating the De-SPAC Transaction are less than the actual amounts required to do so, we may not have sufficient funds available to operate our business prior to the De-SPAC Transaction. In order to fund working capital deficiencies or finance transaction costs in connection with the De-SPAC Transaction, the Promoters or their affiliates may, but are not obligated to, provide us with financing in addition to the Loan Facility. If we complete the De-SPAC Transaction, we will repay the amounts borrowed from the funds raised for the De-SPAC Transaction and any cash from the De-SPAC Target. In the event that the De-SPAC Transaction does not close, we may use a portion of the funds held outside the Escrow Account to repay the borrowed amounts, but no funds held in the Escrow Account would be used for such repayment. The terms of any loans other than pursuant to the Loan Facility have not been determined and no written agreements exist with respect to such loans. Prior to the completion of the De-SPAC Transaction, we do not expect to seek loans from parties other than the Promoters or their affiliates as we do not believe that third parties will be willing to lend such funds and provide a waiver against any and all rights to seek access to funds in the Escrow Account.

Under the Listing Rules, we are required to obtain independent third party investments for the De-SPAC Transaction (as described in the section headed "Terms of the [REDACTED] — Independent third party investment; other funding" in this document), which will require us to issue additional securities. In addition to the independent third party investments, we may also have to obtain additional financing to complete the De-SPAC Transaction, either because the transaction requires more cash than is available from proceeds held in the Escrow Account and from independent third party investments or because we become obligated to redeem a significant number of the Class A Shares upon completion of the De-SPAC Transaction, in which case we may issue additional securities or incur debt in connection with the De-SPAC Transaction.

Subject to compliance with the Listing Rules and other applicable regulations, there is no limitation on our ability to raise funds through the issuance of equity or equity-linked securities or through loans, advances or other indebtedness in connection with the De-SPAC Transaction, including pursuant to forward purchase agreements or backstop agreements that we may enter into following the completion of this [REDACTED]. Subject to compliance with applicable securities laws and the Listing Rules, we would only complete such financing simultaneously with the completion of the De-SPAC Transaction. If we are unable to complete the De-SPAC Transaction within 30 months of the [REDACTED] (subject to any extension) because we do not have sufficient funds available, we will be forced to cease operations and liquidate the Escrow Account. In addition, following the De-SPAC Transaction, we may need to obtain additional financing if there is insufficient cash on hand to meet our obligations.

Taking into consideration the financial resources that will be available to us upon the completion of the [REDACTED], including proceeds from the sale of the Class B Shares and the Promoter Warrants, the interest and other income earned on the funds held in the Escrow Account, the Loan

Facility (but excluding any amounts of the [REDACTED] that are subject to redemption or amounts that are expected to be used to fund a De-SPAC Transaction) and financing that the Promoters or their affiliates may provide us with in addition to the Loan Facility in the event of working capital deficiencies, our Company believes, and the Joint Sponsors concur, that we have sufficient working capital to cover the operating expenses of our Company prior to the De-SPAC Transaction.

INDEBTEDNESS

We incurred no indebtedness from January 20, 2022 to January 28, 2022, and had no outstanding indebtedness as of the Latest Practicable Date. We [have entered] into the Loan Facility, which provides us with a working capital credit line of up to HK$[10.0] million that we may draw upon if required. Any loans drawn under the Loan Facility will not bear any interest and will not be held in the Escrow Account. No amounts had been drawn from the Loan Facility as of the Latest Practicable Date.

LOAN FACILITY

On [●] 2022, the Promoters [entered into] the Loan Facility with the Company. Pursuant to the Loan Facility, the Promoters will make available to the Company an aggregate amount of up to HK$[10.0] million for working capital purposes. Advances under the Loan Facility will carry no interest, and may be repaid by the Company at any time, but no later than the earliest to occur of:

(i) the date on which the Company completes a De-SPAC Transaction;

(ii) the date on which the Company fails to obtain the requisite approvals in respect of the continuation of the Company following a material change in the Promoters or Directors as provided for in the Listing Rules; and

(iii) the date on which the Company commences steps for its winding-up or liquidation.

The Loan Facility contains customary provisions regarding events of default and remedies, and includes a waiver by the Promoters of any claim on the funds held in the Escrow Account (whether or not the Company is in winding up or liquidation prior to the completion of the De-SPAC Transaction) unless such funds are released from the Escrow Account upon completion of the De-SPAC Transaction.

The Loan Facility will be funded by the Promoters in proportion to their respective percentage shareholding in the Company. If a De-SPAC Transaction is completed, we will repay any loans drawn under the Loan Facility from the funds raised for the De-SPAC Transaction and any cash from the De-SPAC Target. In other situations, we may use any available funds held outside the Escrow Account to repay the loan amounts. The Promoters [have waived] their rights to claim for the Company's repayment for loans drawn thereunder, if such amounts are insufficient to repay any outstanding loan amounts in full in the abovementioned situations.

POTENTIAL IMPACT OF ISSUING ADDITIONAL SHARES OR INCURRING INDEBTEDNESS

We are required under the Listing Rules to obtain independent third party investments for the De-SPAC Transaction, in connection with which we will have to issue additional Class A Shares. Furthermore, we may issue additional Class A Shares under an employee incentive plan after the completion of the De-SPAC Transaction. The issuance of additional shares may:

- significantly dilute the equity interest of the investors in the [REDACTED];
- cause a change in control if a substantial number of the Class A Shares are issued, which may result in the resignation or removal of our present officers and Directors;
- have the effect of delaying or preventing a change of control of us by diluting the share ownership or voting rights of a person seeking to obtain control of us;
- adversely affect prevailing market prices for the Class A Shares and the [REDACTED] Warrants; and
- subordinate the rights of Class A Shareholders if preference shares are issued with rights senior to those afforded to the Class A Shares.

Similarly, if we issue debt or otherwise incur significant debt, whether in connection with the completion of the De-SPAC Transaction or otherwise, it could:

- result in default and foreclosure on our assets if our operating revenues after the De-SPAC Transaction are insufficient to repay our debt obligations;
- accelerate our obligations to repay such indebtedness if we breach certain covenants that require the maintenance of certain financial ratios or reserves;
- require our immediate payment of all principal and accrued interest, if any, if the debt instrument is payable on demand;
- affect our ability to obtain necessary additional financing if the debt instrument contains covenants restricting our ability to obtain such financing while the debt is outstanding;
- affect our ability to pay dividends on the Class A Shares;
- require us to use a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on the Class A Shares if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limit our flexibility in planning for and reacting to changes in our business;
- increase vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulations; and
- limit our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The gross [REDACTED] of the [REDACTED] will be placed in the Escrow Account and held in cash or cash equivalents. Due to the short-term nature of these investments, we believe that there will be no associated material exposure to interest rate risk.

COMMITMENTS

As at January 28, 2022, we did not have any off-balance sheet arrangements, commitments or contractual obligations. In connection with the [REDACTED], the Promoters will pay HK$[REDACTED] in [REDACTED] fees relating to our [REDACTED] application for the [REDACTED], which will be set off from the proceeds of the issuance of the Promoter Warrants.

DIVIDEND

Our Company is not presently engaged in any activities other than the activities necessary to implement the [REDACTED]. Accordingly, our Company has not yet adopted a dividend policy. We have not paid any dividends to date and will not pay any dividends prior to the completion of the De-SPAC Transaction. The declaration and payment of future dividends after the completion of our De-SPAC Transaction will be subject to various factors, including our results of operations, financial performance, profitability, business development, prospects, capital requirements and economic outlook. Any declaration and payment as well as the amount of the dividend will be subject to our constitutional documents, the Cayman Islands Companies Act, limits on dividends under applicable laws, documents governing our indebtedness and other factors beyond our control, and may require the approval of our Shareholders.

[REDACTED] EXPENSES

We estimate the total [REDACTED] expenses to be approximately HK$[REDACTED] million. The [REDACTED] expenses, which will be paid upon completion of the [REDACTED], include [REDACTED] related expenses of approximately HK$[REDACTED] million (which does not include the deferred [REDACTED] payable to the [REDACTED] of the [REDACTED] upon the completion of a De-SPAC Transaction), and [REDACTED] related expenses (including accounting, legal and other expenses, such as SFC transaction levy, Stock Exchange [REDACTED] fee and FRC transaction levy) of approximately HK$[REDACTED] million.

In addition, upon completion of a De-SPAC transaction, an additional amount of up to approximately HK$[REDACTED] million of deferred [REDACTED] will be payable by our Company. Upon completion of the [REDACTED], a liability for the deferred [REDACTED] will be estimated and recorded based on the relevant terms and conditions as set forth in the [REDACTED].

Among the total amount of approximately HK$[REDACTED] million, costs in the amount of approximately HK$[REDACTED] million are not directly attributable to the [REDACTED] of the Class A Shares, and such costs are recognized in our statement of profit or loss and other comprehensive income. The remaining amount of approximately HK$[REDACTED] for the [REDACTED] of the Class A Shares not subsequently measured at fair value through profit or loss would be included in the initial carrying amount of the financial liabilities.

DIRECTORS' CONFIRMATION OF NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, since the incorporation of our Company and as of the date of this document, save for the incurring of the [REDACTED] expenses set out in "— [REDACTED] Expenses" above, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects.