
DE-SPAC TRANSACTION

NO SPECIFIC DE-SPAC TARGET IDENTIFIED

As of the date of this document, we have not identified any specific De-SPAC Target, nor have we or 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, our Directors confirm that as of the date of this document, we have not entered into any definitive or binding agreement with respect to a potential De-SPAC Transaction.

SOURCING OF POTENTIAL DE-SPAC TARGETS

Following the completion of this [REDACTED], 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 our Promoters, Directors and senior management. We also anticipate that the De-SPAC Target candidates will be brought to our attention from various affiliated and unaffiliated sources, including our Promoters, Directors, Senior Advisor and senior management, as well as other investment market participants, private equity funds and large business enterprises seeking to divest non-core assets or divisions. In addition, we expect to receive a number of proprietary deal flow opportunities as a result of the track record and business relationships of our Promoters, Directors and senior management that would not otherwise necessarily be available to us.

While we may pursue a De-SPAC Target in any industry or location, we intend to focus our search on companies in the financial services and technology sectors that have competitive edges on sustainability and corporate governance and that have operations or prospective operations in the Greater China area. We will seek to identify targets that are likely to provide attractive financial returns and strong effect of synergies through the De-SPAC Transaction.

However, in addition to our selection criteria of a potential De-SPAC Target, we are yet to determine a time frame, an investment amount or any other criteria, which would trigger our search for De-SPAC Transaction opportunities. The time required to select and evaluate a De-SPAC Target and to structure and complete our De-SPAC Transaction, and the costs associated with this process, are not currently ascertainable with any degree of certainty. Any costs incurred with respect to the identification and evaluation of a prospective De-SPAC Target with which our De-SPAC Transaction is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete another De-SPAC Transaction.

Our Shareholders will be relying on the business judgment of our Directors in choosing a suitable De-SPAC Target and executing the De-SPAC Transaction, who will have significant discretion in choosing the standard used to establish the fair market value of the De-SPAC Target, and different methods of valuation may vary greatly in outcome from one another.

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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 a De-SPAC Target” below.

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.

ELIGIBILITY OF A DE-SPAC TARGET

The Hong Kong 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). As a result, the Successor Company needs to satisfy all new listing requirements under the Listing Rules. These include minimum market capitalization, financial eligibility, sponsor appointment, due diligence, documentary, financial reporting and auditing and public float requirements. In addition, for a De-SPAC Target which operates in the financial services and technology sectors, there may be other requirements which will be applicable to the Successor Company under the Listing Rules and the guidance letters published by the Stock Exchange from time to time. For example, the Stock Exchange’s Guidance Letter HKEX-GL97-18 gives guidance on the Stock Exchange’s approach to companies in the internet technology sector or have internet-based business models with reference to the characteristics of such companies to facilitate their listing within the existing regulatory framework.

The Listing Rules require that we must complete a De-SPAC Transaction with the De-SPAC Target having a fair market value of at least 80% of the funds raised from the [REDACTED], not taking into consideration any share redemptions or the [REDACTED] from the [REDACTED] of the Promoter Warrants. Our Board will make the determination as to the fair market value of a De-SPAC Target, taking into account various factors, which may include the negotiated value of the De-SPAC Target as agreed by the parties; the amount committed by, involvement of, and validation by independent third party investors; and the valuation of comparable companies. If necessary, the Board will also consider obtaining an independent valuation from an appraisal firm or an opinion from an independent investment banking firm or a valuation or appraisal firm to

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assist in making an independent determination of the fair market value of the De-SPAC Target. If less than 100% of the equity interests or assets of a De-SPAC Target will be owned or acquired by our Company, the portion of such De-SPAC Target that will be owned or acquired by our Company will be taken into account for determining whether the De-SPAC Target has a fair market value of at least 80% of the funds raised from the [REDACTED]; provided that in the event that the De-SPAC Transaction involves more than one De-SPAC Target, each De-SPAC Target must have a fair market value of at least 80% of the funds raised from the [REDACTED].

MANDATORY INDEPENDENT THIRD PARTY INVESTMENTS

The terms of a De-SPAC Transaction must include investment in the Successor Shares 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 Hong Kong Stock Exchange from time to time).

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 Hong Kong 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 Hong Kong Stock Exchange prior to our Company announcing the De-SPAC Transaction.

The investments made by the independent third party investors must result in their beneficial ownership of the Successor Shares.

The terms of the third party investments to complete a De-SPAC Transaction must also be subject to the Shareholders' approval at the general meeting. The Promoters and their respective close associates will be required to abstain from voting on such resolution.

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As of the date of this document, we are not a party to any arrangement or understanding with respect to raising such independent third party investment.

HONG KONG STOCK EXCHANGE APPROVAL PROCESS

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 document for the De-SPAC Transaction.

Announcement and Document Requirements

Pursuant to the Listing Rules, we will make an announcement of the terms of a De-SPAC Transaction as soon as possible after the terms of the De-SPAC Transaction have been finalized. A listing document for the De-SPAC Transaction will also be issued. The announcement of the terms of a De-SPAC Transaction and the document for the De-SPAC Transaction, which must satisfy the technical requirements under the Listing Rules, must be submitted to the Hong Kong Stock Exchange prior to publication and must not be published until the Hong Kong Stock Exchange has no comments on such documents. The document for the De-SPAC Transaction must contain: (a) all the information required for a new listing application and a reverse takeover under the Listing Rules (including the guidance letters published by the Hong Kong Stock Exchange); (b) prominent disclosure of the potential dilution effect of the De-SPAC Transaction (which may result from the conversion or exercise of the Promoter Shares, the Promoter Warrants, the SPAC Warrants, the Earn-out Rights or any other securities issued as part of the De-SPAC Transaction) to the number and value of the holdings of non-redeeming SPAC Shareholders; (c) the identities of, the amount of investment by, and any other material terms of the investment committed by third party investors to complete the De-SPAC Transaction; (d) how the Successor Company proposes to provide liquidity in the [REDACTED] of the Warrants following the listing of the Successor Company; and (e) other disclosure required under Rule 18B.51 of the Listing Rules, and must meet all the relevant prospectus requirements of Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

Shareholders' Approval

Under the Listing Rules, a De-SPAC Transaction must be made conditional on the approval by ordinary resolution of the Shareholders (in person or by proxy) at a general meeting of the Company where a quorum is present. SPAC Shareholders as of the record date for such general meeting may vote in respect of their SPAC Shares in the general meeting regardless of whether they have submitted a redemption notice in respect of such SPAC Shares. Written shareholders'

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approval will not be accepted in lieu of holding a general meeting. Shareholders and their close associates must abstain from voting on the relevant resolutions at the general meeting if they have a material interest in the De-SPAC Transaction. The Promoters and their respective close associates will be regarded as having a material interest in the De-SPAC Transaction and must abstain from voting.

In addition, the terms of the third party investments to complete a De-SPAC Transaction must also be subject to the Shareholders' approval at the general meeting.

De-SPAC Transactions Involving Connected De-SPAC Targets

In the event we seek to complete a De-SPAC Transaction that constitutes a connected transaction, we will comply with the applicable connected transaction requirements under the Listing Rules. In addition, we are required to (i) demonstrate that minimal conflicts of interest exist in relation to the proposed De-SPAC Transaction, (ii) support, with adequate reasons, our claim that the proposed De-SPAC Transaction would be on an arm's length basis, and (iii) include an independent valuation of the proposed De-SPAC Transaction in the document for approving the De-SPAC 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 Shares is granted by the Hong Kong Stock Exchange. The De-SPAC Transaction will be treated by the Hong Kong Stock Exchange as a reverse takeover under Chapter 14 of the Listing Rules, which means that the Successor Company must meet all new listing requirements under the Listing Rules. These include minimum market capitalization, financial eligibility, sponsor appointment, due diligence, documentary, financial reporting and auditing and public float requirements. In addition, for a De-SPAC Target which operates in the financial services and technology sectors, there may be other requirements which will be applicable to the Successor Company under the Listing Rules and the guidance letters published by the Stock Exchange from time to time. For example, the Stock Exchange's Guidance Letter HKEX-GL97-18 gives guidance on the Stock Exchange's approach to companies in the internet technology sector or have internet-based business models with reference to the characteristics of such companies to facilitate their listing within the existing regulatory framework.

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Waiver under the Hong Kong Takeovers Code from the SFC

We are subject to the Takeovers Code. A De-SPAC Transaction may result in a change of control of us. 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.

Listing of the Successor Company

Pursuant to Rule 18B.65 of the Listing Rules, there must be a minimum of 100 Shareholders who are Professional Investors at the time of listing of the Successor Company.

The controlling shareholder(s) of a Successor Company must comply with Rule 10.07 of the Listing Rules on the disposal of their shareholdings (and holdings of other securities, if applicable) in the Successor Company following its listing.

SPAC SHAREHOLDERS' REDEMPTION RIGHTS

Prior to a general meeting to approve any of the following matters (in which the Promoters and their close associates are considered to have a material interest and must abstain from voting), we will provide our SPAC Shareholders with the opportunity to elect to redeem all or part of their holdings of SPAC Shares at a per-Share price, payable in cash, equal to the amount then held in the Escrow Account, including interest and other income earned on the funds held therein which have not been previously authorized for release to pay our expenses and taxes, which will be not less than the [REDACTED], i.e. HK\$[REDACTED], divided by the number of SPAC Shares then in issue and outstanding, subject to the limitations and on the conditions described herein and we

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will inform the SPAC Shareholders of such per-Share price by way of an announcement on the website of the Stock Exchange at www.hkexnews.hk and our Company’s website at www.hkacquisition.com as soon as practicable when it is confirmed:

- (a) the continuation of our Company following a material change referred to in Rule 18B.32 of the Listing Rules, including a material change in:
 - (1) any Promoter who, alone or together with its close associates, controls or is entitled to control 50% or more of the Promoter Shares in issue (or where no Promoter controls or is entitled to control 50% or more of the Promoter Shares in issue, the single largest Promoter);
 - (2) any Promoter which holds a Type 6 (advising on corporate finance) and/or a Type 9 (asset management) license issued by the SFC;
 - (3) the eligibility and/or suitability of a Promoter referred to in (1) or (2) above; or
 - (4) a Director which is licensed by the SFC to carry out Type 6 (advising on corporate finance) and/or Type 9 (asset management) regulated activities for a SFC licensed corporation;
- (b) the continuation of our Company following the departure of Ms. Katherine Tsang as one of our Promoters;
- (c) a De-SPAC Transaction; or
- (d) the extension of the De-SPAC Transaction Announcement Deadline or the De-SPAC Transaction Completion Deadline.

There will be no redemption right with respect to the Promoter Shares and the Warrants. See “Share Capital and Securities of the SPAC — Securities of Our Company — Shares — Share Redemptions” for details.

DEADLINES FOR A DE-SPAC TRANSACTION

We must announce our De-SPAC Transaction within 24 months from the [REDACTED] and complete our De-SPAC Transaction within 36 months from the [REDACTED] in accordance with Rules 18B.69 and 18B.70 of the Listing Rules, respectively. In case we anticipate that we may fail to meet these deadlines, we may submit a request to the Hong Kong Stock Exchange for an extension of the deadlines. Any request to the Hong Kong Stock Exchange for an extension must

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include the grounds for the request and 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). Any extension granted by the Hong Kong Stock Exchange in response to such request will be for a period of up to six months.

The Hong Kong Stock Exchange may suspend the [REDACTED] of the SPAC Shares and the SPAC Warrants if we fail to meet any of the deadlines (extended or otherwise) as set out above. Thereafter, we must, within one month of the suspension, return the funds we [REDACTED] at the [REDACTED] by distributing or paying to all SPAC Shareholders the monies held in the Escrow Account on a *pro rata* basis, for a per-Share amount equal to the amount then held in the Escrow Account (including interest and other income earned on the funds held therein which have not been previously authorized for release to pay our expenses and taxes), divided by the number of SPAC Shares then in issue and outstanding, which will be not less than the [REDACTED]. See “— Return of Funds and [REDACTED]” below for details.

RETURN OF FUNDS AND [REDACTED]

In the event that:

- (i) failure to obtain the requisite approvals in respect of the continuation of our Company following a material change in any of the matters referred to in (a) or the departure of Ms. Katherine Tsang as one of our Promoters referred to in (b) under “— SPAC Shareholders’ Redemption Rights” above; or
- (ii) failure to make an announcement of the terms of a De-SPAC Transaction within 24 months from the [REDACTED] (or such other permitted extension period), or complete the De-SPAC Transaction within 36 months from the [REDACTED] (or such other permitted extension period),

our operations will be ceased and the [REDACTED] of the SPAC Shares and the SPAC Warrants on the Hong Kong Stock Exchange will be suspended, and within one month of the suspension, we will return the funds to all SPAC Shareholders the monies held in the Escrow Account on a *pro rata* basis, for a per-Share amount equal to the amount then held in the Escrow Account (including interest and other income earned on the funds held therein which have not been previously authorized for release to pay our expenses and taxes), divided by the number of the SPAC Shares then in issue and outstanding, which will be not less than the [REDACTED]. Upon the completion of the return of funds, the SPAC Shares will be cancelled and the SPAC Shares and the SPAC Warrants will be [REDACTED] following the Hong Kong Stock Exchange’s publication of an announcement notifying the cancellation of the [REDACTED].

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There will be no return of funds from the Escrow Account with respect to the Promoter Shares and the Warrants.

See "Share Capital and Securities of the SPAC — Securities of Our Company — Shares — Return of Funds and [REDACTED]" for details.

ADDITIONAL FUNDING

In accordance with the Listing Rules, at the time of entry into a binding agreement for a De-SPAC Transaction, a De-SPAC Target must have a fair market value representing at least 80% of the funds raised from the [REDACTED] (prior to any redemption of the SPAC Shares).

Depending on the size of the De-SPAC Transaction, we may need to obtain additional financing to complete the De-SPAC Transaction. If we are required to seek additional capital, we could seek such additional capital through various financing sources, including but not limited to the following means as permitted by the Listing Rules:

- (a) contemporaneous with the completion of the De-SPAC Transaction, by way of equity (including by way of a placement or subscription for our equity securities by independent third party investors, including sophisticated, institutional and/or accredited investors), in accordance with the Listing Rules; and/or
- (b) contemporaneous with or prior to the completion of the De-SPAC Transaction, by way of debt financing, provided that (i) the funds in the Escrow Account must not be used as collateral or subject to encumbrance for the debt financing; and (ii) the funds drawn down from the debt financing will be applied towards the financing of the De-SPAC Transaction and/or related expenses.

As of the date of this document, other than the Loan Facility provided to us 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 our Promoters, Directors or senior management, or Shareholders is obligated to provide any financing to us in connection with or after the De-SPAC Transaction.

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PROMOTERS’ EARN-OUT RIGHT

The Promoters may receive additional Successor Shares, subject to (i) the Successor Company meeting certain pre-conditioned performance indicators and (ii) approval at the general meeting of the Shareholders convened to approve the De-SPAC Transaction, with the Promoters and their close associates abstaining from voting on the relevant resolution regarding the Earn-out Right.

See “Share Capital and Securities of the SPAC — Promoters’ Earn-out Right” for further details.

COSTS AND EXPENSES

We do not intend to pay any finder’s fee, reimbursement, consulting or similar fees to our Promoters, Directors or senior management, or any entity with which they are associated, prior to, or for any services they render in order to effectuate, the completion of our De-SPAC Transaction. In connection with identifying a De-SPAC Target and negotiating and executing a De-SPAC Transaction, we may utilize the professional services of our Promoters’ affiliates, and (subject to compliance with applicable Listing Rules requirements on connected transactions) expect to compensate them on market standard and arms’ length terms.

Any out-of-pocket expenses related to identifying, investigating, negotiating and completing the De-SPAC Transaction, repayment of any loans drawn under the Loan Facility or any other financing which may be obtained by us, and other finance expenses which may be incurred in connection with identifying potential De-SPAC Targets and executing the De-SPAC Transaction prior to the completion of the De-SPAC Transaction will be made from the funds held outside the Escrow Account or from interests and other income earned on the funds held in the Escrow Account, provided that such payments shall not result in the per-Share redemption amount to be received by the SPAC Shareholders from the funds held in the Escrow Account being less than the [REDACTED].

RISK FACTORS

Although our Directors and senior management will assess the risks inherent in a particular De-SPAC Target or De-SPAC Transaction, we cannot assure you that this assessment will result in our identifying all risks that a De-SPAC Target or De-SPAC Transaction may encounter. Furthermore, some of those risks may be outside of our control, meaning that we can do nothing to control or reduce the chances that those risks will adversely affect a De-SPAC Target or De-SPAC Transaction.

See “Risk Factors — Risks Relating to the Company and Our De-SPAC Transaction” for details.