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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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### SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued upon completion of the [REDACTED]:

*Authorized share capital:*

<u>Number of Shares</u>	<u>Description of Shares</u>	<u>Nominal value</u>
		(HK\$)
1,000,000,000	SPAC Shares	100,000
<u>100,000,000</u>	Promoter Shares	<u>10,000</u>
<u>1,100,000,000</u>	Total	<u>110,000</u>

*Shares in issue and to be issued:*

<u>Number of Shares</u>	<u>Description of Shares</u>	<u>Nominal value</u>
		(HK\$)
[REDACTED]	SPAC Shares to be [REDACTED] pursuant to the [REDACTED] [REDACTED]	[REDACTED]
<u>[REDACTED]</u>	Promoter Shares in issue	<u>[REDACTED]</u>
<u>[REDACTED]</u>	Total	<u>[REDACTED]</u>

*Note:* The above table does not take into account of any Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

### SECURITIES OF OUR COMPANY

We are [REDACTED] [REDACTED] SPAC Shares and [REDACTED] SPAC Warrants for [REDACTED] by the Professional Investors pursuant to the [REDACTED]. Professional Investors [REDACTED] for SPAC Shares in the [REDACTED] will be entitled to receive [REDACTED] SPAC Warrant for every [REDACTED] SPAC Shares [REDACTED]. Each whole SPAC Warrant shall be exercisable for one Successor Share at a price of HK\$[REDACTED] per Successor Share, such exercise to be conducted on a cashless basis only and subject to adjustment as described below. A SPAC Warrantholder may exercise its SPAC Warrants only for a whole number of the Successor Shares. This means that only a whole SPAC Warrant may be exercised at any given time by a Warrantholder.

The SPAC Shares and the SPAC Warrants will be separately [REDACTED] on the Stock Exchange from the [REDACTED].

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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### Shares

Upon completion of the [REDACTED], the Shares of our Company will be divided into two classes: SPAC Shares and Promoter Shares. Both classes of Shares are ordinary shares in the share capital of our Company.

The SPAC Shares, representing [REDACTED]% of the total number of issued Shares upon completion of the [REDACTED], will be issued to and freely transferable between Professional Investors only.

All the Promoter Shares, representing [REDACTED]% of the total number of issued Shares upon completion of the [REDACTED], will be held by HK Acquisition (BVI) which is owned as to 51% by Extra Shine (wholly owned by Dr. Norman Chan), 32% by Pride Vision (wholly owned by Ms. Katherine Tsang) and 17% by Max Giant) on behalf of the Promoters in proportion to their shareholding in HK Acquisition (BVI). Dr. Norman Chan, Ms. Katherine Tsang and Max Giant, being the Promoters, must remain as the beneficial owners of the Promoter Shares they will beneficially hold (through HK Acquisition (BVI)) on the [REDACTED] and for the lifetime of those Promoter Shares, other than in exceptional circumstances, in accordance with Rule 18B.26. The Promoter Shares are not transferable to a person other than the relevant Promoter itself or its Permitted Transferee (provided that such transfer does not result in a transfer of beneficial ownership of the Promoter Shares other than the relevant Promoter itself), unless a waiver is granted by the Stock Exchange and the transfer is approved by an ordinary resolution by the Shareholders at a general meeting (on which the Promoters and their close associates must abstain from voting). If a Promoter departs from our Company or where there is a change in beneficial ownership contrary to Rule 18B.26 of the Listing Rules, unless a waiver is granted by the Stock Exchange and the transfer is approved by an ordinary resolution by the Shareholders at a general meeting (on which the Promoters and their close associates must abstain from voting), the Promoter must surrender, or procure the relevant holder to surrender, the relevant Promoter Shares it beneficially owns to our Company, which will then be cancelled.

Save as mentioned in this section, the SPAC Shares will rank *pari passu* in all respects with all Promoter Shares, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this document.

### Voting

In accordance with the Articles of Association and the Listing Rules, at least 14 clear days' notice is required to be given of any extraordinary general meeting, and Shareholders representing at least 10% of our issued and outstanding ordinary shares (present in person or by proxy) will constitute a quorum.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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SPAC Shareholders and Promoter Shareholders will vote together as a single class on all matters submitted to a vote of the Shareholders except as required by law or as set out in the Articles of Association and the Listing Rules. Each Share, either SPAC Share or Promoter Share, will entitle its holder to exercise one vote on any resolution at our Company's general meetings, save for resolutions in respect of the appointment of Directors on which only the holders of the Promoter Shares are entitled to vote prior to the completion of the De-SPAC Transactions. Furthermore, the Promoters and their close associates are considered to have a material interest and must abstain from voting on the resolutions to (i) approve the De-SPAC Transaction; (ii) approve the extension of the De-SPAC Transaction Announcement Deadline or the De-SPAC Transaction Completion Deadline; or (iii) approve the continuation of our Company following a material change in the Promoters or the Directors under Rule 18B.32 of the Listing Rules or the departure of Ms. Katherine Tsang as one of our Promoters.

Unless otherwise specified in the Articles of Association, or as required by the applicable provisions of the Cayman Companies Act or the Listing Rules, the affirmative vote of the majority of the Shareholders which have voted is required to approve any such matter voted on by the Shareholders. Approving a statutory merger or consolidation with another company, or the continuation of our Company following a material change in the Promoters or Directors referred to in Rule 18B.32 of the Listing Rules or the departure of Ms. Katherine Tsang as one of our Promoters will require a Special Resolution, and amending the Memorandum and Articles of Association or approving the voluntary winding-up of our Company will require a Supermajority Resolution under the Articles of Association and the Cayman Companies Act.

Written shareholders' approval will not be accepted in lieu of holding a general meeting to approve (i) the continuation of our Company following a material change in the Promoters or Directors under Rule 18B.32 of the Listing Rules or the departure of Ms. Katherine Tsang as one of our Promoters, or (ii) the De-SPAC Transaction under Rule 18B.53 of the Listing Rules.

The voting rights of the SPAC Shareholders will not be affected by their elections to redeem all or part of their holdings of their SPAC Shares. Their voting right will include the voting rights of the SPAC Shares they elected to redeemed.

See Appendix III for details of the notice period, quorum and approval requirements.

### *Appointment and Removal of Directors*

Prior to the completion of the De-SPAC Transaction, Promoter Shareholders have the right by ordinary resolution to appoint Directors, and all Shareholders have the right by ordinary resolution to remove Directors. Following the completion of the De-SPAC Transaction, all Shareholders will have the right by ordinary resolution to appoint and remove Directors.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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[REDACTED]

Only the SPAC Shares will be [REDACTED] on the Stock Exchange upon completion of the [REDACTED]. The SPAC Shares will be [REDACTED] in [REDACTED] of [REDACTED] under the stock code of [REDACTED]. All necessary arrangements have been made to enable the SPAC Shares to be admitted to [REDACTED]. The SPAC Shares will be [REDACTED] to and freely transferable between Professional Investors only.

All SPAC Shares will be registered on our Company's Hong Kong register of members to be maintained by the Hong Kong [REDACTED] in Hong Kong. Our Company's principal register of members will be maintained in the Cayman Islands by the [REDACTED]. The SPAC Shares shall be transferable by instrument of transfer in any usual or common form consistent with the standard form of transfer as prescribed by the Stock Exchange or in any other form which may be approved by the Directors. Transfers of SPAC Shares must be executed by both the transferor and the transferee or, where the transferor and/or the transferee is [REDACTED] (or its successor), by an instrument of transfer executed under hand by authorized person(s) or by machine imprinted signature(s). [REDACTED] in the SPAC Shares registered on the Hong Kong register of members will be subject to Hong Kong stamp duty.

The Promoter Shares will not be [REDACTED] on the Stock Exchange or any other stock exchange.

### *Share Redemptions*

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), our Company will provide the 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), as calculated as of two business days immediately prior to the date of return of funds, divided by the number of SPAC Shares then in issue and outstanding, which will be not less than the [REDACTED], i.e. HK\$[REDACTED], and we 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](http://www.hkexnews.hk) and our Company's website at [www.hkacquisition.com](http://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:

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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- (i) 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);
  - (ii) any Promoter which holds a Type 6 (advising on corporate finance) and/or a Type 9 (asset management) licence issued by the SFC;
  - (iii) the eligibility and/or suitability of a Promoter referred to in (i) or (ii) above; or
  - (iv) 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;
- (each a "Material Change Event")
- (c) a De-SPAC Transaction; or
  - (d) the extension of the De-SPAC Transaction Announcement Deadline or the De-SPAC Transaction Completion Deadline.

The Board will inform the SPAC Shareholders the opportunity to elect to exercise their redemption right of their SPAC Shares and the period for the elections in the circular and notice of the general meeting to be dispatched to the Shareholders, which will be accompanied by a redemption request form. Such redemption request form will also be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website at [www.hkacquisition.com](http://www.hkacquisition.com). The period to elect to redeem shall be the period starting on the date of notice of the general meeting to approve the relevant matters set out in (a), (b), (c) or (d) above and ending on the date and time of commencement of that general meeting.

SPAC Shareholders may elect to have all or part of their holdings of SPAC Shares redeemed without attending or voting at the aforesaid general meeting and, if they do vote they may still elect to redeem their SPAC Shares irrespective whether they vote for or against or abstain from voting on the matters set out in (a), (b), (c) or (d) above.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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SPAC Shareholders seeking to exercise their redemption rights should submit a duly completed and signed redemption request form to the [REDACTED], in which the names of such SPAC Shareholders as registered in our Company's Hong Kong register of members and the number of SPAC Shares to be redeemed shall be included, and deliver their Share certificates to the [REDACTED] before the date and time of commencement of the relevant general meeting. SPAC Shareholders may request to redeem all or part of their SPAC Shares in one or more redemption request forms, provided that the number of SPAC Shares which they elect to redeem in the request forms must not in aggregate exceed the number of SPAC Shares which were registered under the names of such SPAC Shareholders in our Company's Hong Kong register of members, which in such event, our Company will only earmark for redemption the number of SPAC Shares which were registered under the names of such SPAC Shareholders in our Company's Hong Kong register of members.

The funds which our Company will return to SPAC Shareholders who properly redeem their SPAC Shares will be met by monies held in the Escrow Account. The amount in the Escrow Account is initially anticipated to be HK\$[REDACTED], representing 100% of the gross [REDACTED] from the [REDACTED]. On this basis, the per-Share price payable for the redemption of any SPAC Share will be equal to the [REDACTED], i.e. HK\$[REDACTED]. The return of funds to all redeeming SPAC Shareholders will be completed:

- (i) in the case of a shareholder vote in respect of the matter set out in (c) above, within five business days following completion of the associated De-SPAC Transaction, provided that if the De-SPAC Transaction is not completed for any reason, we will not redeem any SPAC Shares, and all redemption requests in respect of such SPAC Shares will be cancelled; and
- (ii) in the case of a shareholder vote referred to in (a), (b) or (d) above, within one month of the approval of the relevant resolution at a general meeting. The SPAC Shares which have been redeemed will be cancelled.

There will be no redemption right with respect to the Promoter Shares and the Warrants.

### ***Return of Funds and [REDACTED]***

Our Company will have only 24 months from the [REDACTED] to make an announcement of the terms of a De-SPAC Transaction and 36 months from the [REDACTED] to complete the De-SPAC Transaction, subject to any extension as approved by the Shareholders (which the Promoters and their close associates must abstain from voting) and the Stock Exchange for a period of up to six months. In the event that:

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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- (a) we fail to obtain the requisite approvals in respect of the continuation of our Company following a Material Change Event; or
- (b) we fail to make an announcement of the terms of a De-SPAC Transaction within 24 months from the [REDACTED] (or such other extension period approved by the Shareholders and the Stock Exchange), or complete the De-SPAC Transaction within 36 months from the [REDACTED] (or such other extension period approved by the Shareholders and the Stock Exchange),

the operations of our Company will cease and the [REDACTED] of the SPAC Shares and the SPAC Warrants on the Stock Exchange will be suspended, and our Company will, within one month of the suspension, return the funds to all holders of the SPAC Shares 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].

Upon the completion of the return of funds, the SPAC Shares will be cancelled and, subject to the applicable statutory requirements, the rights of the SPAC Shareholders as Shareholders (including the right to receive further liquidating distributions) will be completely extinguished. The SPAC Shares and the SPAC Warrants will be [REDACTED] following the Stock Exchange's publication of an announcement notifying the cancellation of [REDACTED]. Thereafter, upon the approval of our remaining Shareholders, our Company may proceed to liquidate and dissolve, subject to our obligations under Cayman Islands law to provide for claims of creditors and compliance with other statutory requirements. There will be no return of funds from the Escrow Account with respect to the Promoter Shares and the Warrants.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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### *Conversion of the Promoter Shares*

The Promoter Shares will be automatically converted into Successor Shares on a [REDACTED] basis (subject to adjustment for sub-division and consolidation of the Shares provided that it will not result in the Promoter being entitled to a higher proportion of Promoter Shares than it was originally entitled as of the [REDACTED]) on the De-SPAC Transaction Completion Date. Adjustments for dilutive events not provided for above may be proposed by the Board, acting on a fair and reasonable basis and always subject to any requirements under the Listing Rules. Details of any adjustments will, following consultation with the Stock Exchange and subject to its approval (if required), be provided to the Shareholders and the Warrantholders by way of an announcement on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website at [www.hkacquisition.com](http://www.hkacquisition.com). The Successor Shares to be issued upon conversion of the Promoter Shares will rank *pari passu* in all respects with all then existing SPAC Shares (which will become Successor Shares upon completion of the De-SPAC Transaction), and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the De-SPAC Transaction Completion Date.

### **Warrants**

Our Company will [REDACTED] [REDACTED] SPAC Warrants for [REDACTED] by Professional Investors pursuant to the [REDACTED], and [REDACTED] Promoter Warrants for [REDACTED] by the Promoters in a [REDACTED] that will occur concurrently with the [REDACTED].

Each whole Warrant shall be exercisable for one Successor Share at the exercise price of HK\$[REDACTED] per Successor Share, such exercise to be conducted on a cashless basis only during the Exercise Period (as defined below), which will commence on (a) in the case of the SPAC Warrants, the 30th day after the De-SPAC Transaction Completion Date; and (b) in the case of the Promoter Warrants, the first anniversary of the De-SPAC Transaction Completion Date.

We will not be obligated to issue any Successor Shares pursuant to the exercise of a Warrant and will have no obligation to settle such warrant exercise unless the [REDACTED] approval of the Successor Shares (including the Successor Shares which will be issued upon the exercise of the Warrants) have been granted by the Stock Exchange. It is expected that an application will be made to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the Successor Shares for the purpose of completing the De-SPAC Transaction.

See Appendix IV to this document for a summary of the terms of the Warrants.



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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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### *SPAC Warrants*

Our Company will issue [REDACTED] SPAC Warrants to [REDACTED] of the SPAC Shares who are Professional Investors pursuant to the [REDACTED]. Each whole SPAC Warrant shall be exercisable for one Successor Share at the exercise price of HK\$[REDACTED] per Successor Share, such exercise to be conducted on a cashless basis only and subject to the adjustment as set out below.

Professional Investors [REDACTED] for SPAC Shares in the [REDACTED] will be entitled to receive [REDACTED] SPAC Warrant for every [REDACTED] SPAC Shares [REDACTED]. No fractional Warrants will be [REDACTED] and only whole SPAC Warrants will be [REDACTED] and [REDACTED] on the Stock Exchange.

Only whole Warrants are exercisable. A single whole Warrant must be exercised in full, and may not be exercised partially.

### *Exercise Period*

The SPAC Warrants may be exercised only during the period commencing on the 30th day after the De-SPAC Transaction Completion Date and ending on the date falling five years after the completion of the De-SPAC Transaction or earlier upon (i) redemption (in accordance with the mechanism set out below); (ii) [REDACTED] of our Company; or (iii) liquidation or winding-up of our Company (the “**Exercise Period**”).

### *Exercise Price*

The exercise price of the Warrants is HK\$[REDACTED] per Share, representing a [REDACTED]% premium to the [REDACTED]. The Warrants exercisable only on a cashless basis.

### *Conditions to the Exercise*

The Warrants are exercisable, on a cashless basis, when the Fair Market Value (as defined below) as of the date on which a duly completed and signed exercise form is received by the [REDACTED] is at least HK\$[REDACTED] per Successor Share. Upon a cashless exercise of the Warrants, Warrant holders will surrender the Warrants they elect to exercise in exchange for the issuance of such number of Successor Shares for each Warrant (subject to the adjustment as set out below) calculated on the following basis:

$$\text{Number of Successor Shares to be issued for each Warrant} = \frac{\text{Number of Successor Shares underlying each Warrant}}{\text{Fair Market Value} - \frac{\text{HK\$[REDACTED]}}{\text{Fair Market Value}}}$$

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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For the purpose of the Warrants, the “**Fair Market Value**” means the average closing price of the Successor Shares as stated in the Stock Exchange’s daily quotations sheets for the 10 trading days immediately prior to the date on which a duly completed and signed exercise form is received by the [REDACTED]; provided that if the Fair Market Value is HK\$[REDACTED] or higher, the Fair Market Value will be deemed to be HK\$[REDACTED] for the purpose of calculating the number of Successor Shares to be issued upon exercise of any Warrant.

Warrantholders seeking to exercise their Warrants should submit an exercise form endorsed on their Warrant certificates, duly completed and signed (which shall be irrevocable), to the [REDACTED], in which the names of such Warrantholders as registered in the register of Warrantholders (if applicable) and the number of Warrants to be exercised shall be included, and deliver their Warrant certificates on any business day during the Exercise Period (by 4:30 p.m. Hong Kong time on any business day prior to the expiration date of the Warrants and before 5:00 p.m. Hong Kong time on the expiration date) to the [REDACTED]. Warrantholders should only exercise some or all of their Warrants on a cashless basis and are not required to deliver payment to our Company or otherwise pay any consideration for the issuance of the Successor Shares.

Our Company shall issue the Successor Shares arising from the exercise of the relevant Warrants by a Warrantholder and shall make, as soon as practicable but in any event not later than five Business Days after the relevant duly completed and signed exercise form is received by the [REDACTED], the Successor Share certificate and, if applicable, the balancing Warrant Certificate in respect of any Warrants remaining unexercised available for collection at the specified office of the [REDACTED] or, if so requested in the relevant exercise form, cause the [REDACTED] to despatch (at the risk of the holder of such Successor Shares and the holder of the SPAC Warrants not so exercised (if applicable)) by ordinary post such certificate(s) for Successor Shares and balancing Warrant Certificate (if any) to the person and at the place specified in the exercise form.

Only Successor Shares will be issued upon exercise of the Warrants. No fractional Successor Shares will be issued. If a Warrantholder would be entitled to receive a fractional interest in a Successor Share, such number of Successor Shares rounded down to the nearest whole number will be issued to such holder.

## SHARE CAPITAL AND SECURITIES OF THE SPAC

The following example illustrates the number of Successor Shares which will be issued to a Warrantholder upon its cashless exercise of [REDACTED] SPAC Warrants:

Fair Market Value	Calculation	Number of Successor Shares to be [REDACTED]
<i>(HK\$)</i>		
[REDACTED]	[REDACTED] x $\frac{[REDACTED]}{[REDACTED]}$	[REDACTED]
[REDACTED]	[REDACTED] x $\frac{[REDACTED]}{[REDACTED]}$	[REDACTED]
[REDACTED]	[REDACTED] x $\frac{[REDACTED]}{[REDACTED]}$	[REDACTED]
[REDACTED]	[REDACTED] x $\frac{[REDACTED]}{[REDACTED]}$	[REDACTED]
[REDACTED] <sup>(1)</sup>	[REDACTED] x $\frac{[REDACTED]}{[REDACTED]}$	[REDACTED]

*Note:*

- If the Fair Market Value is HK\$[REDACTED] or higher, the Fair Market Value will be deemed to be HK\$[REDACTED] for the purpose of calculating the number of Successor Shares to be issued upon exercise of any Warrant.

In no event will a Warrantholder receive more than [REDACTED] of a Successor Share per Warrant under a cashless exercise. In no event will our Company be required to net cash settle any Warrant.

### *Redemption*

Our Company has the option to redeem the outstanding Warrants, in whole and not in part, at a price of HK\$[REDACTED] per Warrant, upon fixing a date for the redemption (the “**Redemption Date**”) and giving written notice of redemption (the “**Redemption Notice**”) by way of an announcement on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Successor Company’s website, which may be served not less than 30 days prior to the Redemption Date and after the date of the first anniversary of the De-SPAC Transaction Completion Date, in the event the closing price of the Successor Shares as stated in the Stock Exchange’s daily quotations sheets is HK\$[REDACTED] or higher for any 20 trading days within 30 consecutive trading days ending three business days before the Redemption Notice is sent.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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Upon receiving a Redemption Notice, a Warrantholder may exercise the outstanding Warrants in whole or in part within the 30-day notice period on a cashless basis. Upon a cashless exercise of the Warrants, Warrantholders will surrender the Warrants they elect to exercise in exchange for the issuance of such number of Successor Shares for each Warrant (subject to the adjustment as set out below) calculated on the following basis:

$$\begin{array}{r} \text{Number of} \\ \text{Successor} \\ \text{Shares to be issued} \\ \text{for each Warrant} \end{array} = \begin{array}{r} \text{Number of} \\ \text{Successor Shares} \\ \text{underlying each} \\ \text{Warrant} \end{array} \times \frac{\text{Fair Market Value} - \text{HK\$[REDACTED]}}{\text{Fair Market Value}}$$

For the avoidance of doubt, a Warrantholder may continue to exercise the outstanding Warrants within the 30-day notice period on a cashless basis based on the Fair Market Value as of the date on which a duly completed and signed exercise form is received by the [REDACTED], which may be higher or lower than the redemption trigger price of HK\$[REDACTED].

Only Successor Shares will be issued upon exercise of the Warrants. No fractional Successor Shares will be issued. If a Warrantholder would be entitled to receive a fractional interest in a Successor Share, such number of Successor Shares rounded down to the nearest whole number will be issued to such holder.

In no event will the Warrants be exercisable for more than [REDACTED] of a Successor Share per Warrant. In no event will our Company be required to net cash settle any Warrant.

Any unexercised Warrants outstanding after the lapse of the 30-day notice period shall be redeemed by our Company on the Redemption Date at a price of HK\$[REDACTED] per Warrant. Relevant cheques for the redemption will be despatched within 30 days after the Redemption Date to the holders of any Warrants as registered in the register of Warrantholders so redeemed by ordinary post and at their own risk. Any Warrant so redeemed shall be deemed to be cancelled and lapse.

### *Adjustments*

If the number of issued and outstanding Shares is increased by a sub-division of Shares, then, on the effective date of such sub-division, the number of Successor Shares issuable on exercise of the Warrants shall be increased in proportion to such increase in the issued and outstanding Shares.

If the number of issued and outstanding Shares is decreased by a consolidation of Shares, then, on the effective date of such consolidation, the number of Successor Shares issuable on exercise of a Warrant shall be decreased in proportion to such decrease in issued and outstanding Shares.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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In case any event shall occur affecting our Company as to which the aforesaid circumstances is not strictly applicable, but which would require an adjustment to the terms of the Warrants in order to avoid an adverse impact on the Warrants, our Company shall appoint a firm of independent registered public accountants, investment banking or other appraisal firm of recognized standing, which shall give its opinion as to whether or not any adjustment to the rights represented by the Warrants is necessary and, if they determine that an adjustment is necessary, the terms of such adjustment. Such adjustment shall also be subject to the approval of the Stock Exchange.

### **[REDACTED]** and Transferability

The SPAC Warrants will be **[REDACTED]** in certificated form and **[REDACTED]** on the Stock Exchange upon completion of the **[REDACTED]**. The SPAC Warrants will be **[REDACTED]** to and freely transferable between Professional Investors only.

The SPAC Warrants will be traded in **[REDACTED]** of **[REDACTED]** under the warrant code of **[REDACTED]**. All necessary arrangements have been made to enable the SPAC Warrants to be admitted to **[REDACTED]**.

All SPAC Warrants will be registered on our Company's register of Warrantholders to be maintained by the **[REDACTED]** in Hong Kong. A SPAC Warrantholder wishing to transfer its SPAC Warrants shall lodge, during normal business hours at the office of the **[REDACTED]**, the relevant Warrant Certificate(s) registered in the name of the Warrantholder, together with a duly stamped instrument of transfer in respect thereof in any usual or common form consistent with the standard form of transfer as prescribed by the Stock Exchange or in any other form which may be approved by the Directors. Transfers of SPAC Warrants must be executed by both the transferor and the transferee or, where the transferor and/or the transferee is **[REDACTED]** (or its successor), by an instrument of transfer executed under hand by authorized person(s) or by machine imprinted signature(s). The transferor shall be deemed to remain the holder of the SPAC Warrants until the name of the transferee is entered in the register of Warrantholders in respect of that SPAC Warrant. **[REDACTED]** in the SPAC Warrants registered on the register of Warrantholders will be subject to Hong Kong stamp duty.

### *No voting rights as Shareholders*

No voting rights as Shareholders are attached to the Warrants, but Warrantholders are entitled to vote at meetings of Warrantholders.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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The Successor Shares to be issued upon exercise of the Warrants will rank *pari passu* in all respects with all then existing Successor Shares, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Successor Shares on a record date which falls after the issue date of such Successor Shares.

After the issue of Successor Shares upon exercise of the Warrants, each Warrantholder will be entitled to one vote for each Successor Share held on matters to be voted on at the general meeting of the Successor Company.

*No rights to distributions and [REDACTED] of further securities*

The Warrantholder has no right to participate in any distributions and/or [REDACTED] of further securities made by our Company.

*Expiration*

The Warrants will expire at 5:00 p.m. (Hong Kong time) on the date falling five years after the completion of the De-SPAC Transaction or earlier upon (i) redemption (in accordance with the mechanism set out above); (ii) [REDACTED] of our Company; or (iii) liquidation or winding-up of our Company. No exercise of the Warrants will be permitted after they have expired on such date. No exercise of the Warrants will be permitted after they have expired on such date.

In addition, the Warrants will expire worthless if any of the following events occurs:

- (a) we fail to obtain the requisite approvals in respect of the continuation of our Company following a Material Change Event; or
- (b) we fail to make an announcement of the terms of a De-SPAC Transaction within 24 months from the [REDACTED] (or such other extension period approved by the Shareholders and the Stock Exchange), or complete the De-SPAC Transaction within 36 months from the [REDACTED] (or such other extension period approved by the Shareholders and the Stock Exchange).

There will be no redemption right or return of funds from the Escrow Account with respect to the Warrants.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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### *Amendments of Warrant terms*

The Warrants will be issued pursuant to the Warrant Instrument, which provides that the terms of the Warrants may, subject to the Stock Exchange’s approval, be amended by our Company without the consent of any holder (i) to cure any ambiguity or correct any mistake, including to conform the terms of the Warrants to the description thereof set forth in this document, or defective provision, or (ii) to add or amend any terms with respect to matters or questions as our Company may deem necessary or desirable and that our Company deems to not adversely affect the rights of the holders of Warrants; provided that such amendments must be made pursuant to the terms of the Warrant Instrument and shall not increase the exercise price of the Warrants or shorten the exercise period.

All other amendments to the terms of the Warrants after the issue or grant thereof or would otherwise increase the exercise price or shorten the exercise period of the Warrants shall be subject to the compliance with the requirements under the Listing Rules and require the approval by the Stock Exchange and the vote or written consent of the holders of at least 75% of the then outstanding Warrants, provided that (a) any amendment that solely affects the terms of the SPAC Warrants will also require the vote or written consent of at least 75% of the then outstanding SPAC Warrants; and (b) any amendment that solely affects the terms of the Promoter Warrants will also require the vote or written consent of at least 75% of the then outstanding Promoter Warrants.

### *Promoter Warrants*

The Promoters have agreed to, through HK Acquisition (BVI), [REDACTED] for a total of [REDACTED] Promoter Warrants at a price of HK\$[REDACTED] per Promoter Warrant (HK\$[REDACTED] in aggregate), representing [REDACTED]% of the [REDACTED], in a [REDACTED] that will occur concurrently with the [REDACTED]. Each whole Promoter Warrant shall be exercisable for one Successor Share at the exercise price of HK\$[REDACTED] per Successor Share, such exercise to be conducted on a cashless basis only and subject to the adjustment as set out in “— SPAC Warrants — Adjustments” above.

All the Promoter Warrants will be held by HK Acquisition (BVI) which is owned as to 51% by Extra Shine (wholly owned by Dr. Norman Chan), 32% by Pride Vision (wholly owned by Ms. Katherine Tsang) and 17% by Max Giant) on behalf of the Promoters in proportion to their shareholding in HK Acquisition (BVI). Dr. Norman Chan, Ms. Katherine Tsang and Max Giant, being the Promoters, must remain as the beneficial owners of the Promoter Warrants that it will beneficially own (through HK Acquisition (BVI)) on the [REDACTED] and for the lifetime of those Promoter Warrants, other than in exceptional circumstances, in accordance with Rule 18B.26 of the Listing Rules. The Promoter Warrants are not transferable to a person other than the relevant Promoter itself or its Permitted Transferee (provided that such transfer does not result in a transfer of beneficial ownership of the Promoter Warrant other than the relevant Promoter itself), unless a waiver is granted by the Stock Exchange and the transfer is approved by an ordinary resolution by the Shareholders at a general meeting (on which the Promoters and their close associates must



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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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abstain from voting). If a Promoter departs from our Company or where there is a change in beneficial ownership contrary to Rule 18B.26 of the Listing Rules, unless a waiver is granted by the Stock Exchange and the transfer is approved by an ordinary resolution by the Shareholders at a general meeting (on which the Promoters and their close associates must abstain from voting), the Promoter must surrender, or procure the relevant Warrantholder to surrender, the relevant Promoter Warrants it beneficially owns to our Company, which will then be cancelled.

The Promoter Warrants will only be exercisable on the same terms as the SPAC Warrants during the period commencing on the first anniversary of the De-SPAC Transaction Completion Date and ending on the date falling five years after the completion of the De-SPAC Transaction or earlier upon (i) redemption; (ii) [REDACTED] of our Company; or (iii) liquidation or winding-up of our Company. In no event will a Promoter Warrant entitle its holder to receive more than [REDACTED] of a Successor Share per Warrant under a cashless exercise. The Promoters will also be bound by lock-up undertakings with respect to the Promoter Warrants and the Successor Shares acquired by them as a result of exercising the Promoter Warrants, which undertakings are set out in “— Promoters’ Undertakings” below.

Save for the aforesaid, the Promoter Warrants have terms that are identical to those of the SPAC Warrants being [REDACTED] in the [REDACTED].

The Promoter Warrants will not be [REDACTED] on the Stock Exchange or any other stock exchange.

### *Undertaking to the Stock Exchange*

Our Company has undertaken to the Stock Exchange that during the period commencing on the [REDACTED] and ending on the De-SPAC Transaction Completion Date, it will not allot, issue or grant any Warrants.

### **PROMOTERS’ EARN-OUT RIGHT**

Subject to the approval by the Shareholders and the compliance with the Listing Rules, the Promoters may receive additional Successor Shares (the “**Earn-out Shares**”) after the completion of the De-SPAC Transaction, up to such number of additional Successor Shares that will not exceed [REDACTED]% of the total number of Shares in issue as of the [REDACTED] (the “**Earn-out Right**”); provided that the aggregate number of Successor Shares that the Promoters hold (or are entitled to receive upon conversion of the Promoter Shares) and the Earn-out Shares, will not exceed [REDACTED]% of the total number of Shares in issue as of the [REDACTED]. The Earn-out Right, if approved will only be triggered if the volume weighted average price of the



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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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Successor Shares equals or exceeds HK\$[REDACTED] per Successor Share (the “**Earn-out Exercise Price**”) for any 20 trading days within any 30-trading day period commencing six months after the completion of the De-SPAC Transaction.

The Earn-out Right is subject to approval by ordinary resolution of the Shareholders at the general meeting convened to approve the De-SPAC Transaction, on which the Promoters and their close associates must abstain from voting. The material terms of the Earn-out Right as agreed between the parties to the De-SPAC Transaction (which, depending on the terms proposed by our Company and approved by the Shareholders, may be different from the terms stated above; for example, the terms may provide for higher Earn-out Exercise Price than HK\$[REDACTED], more than 20 trading days within the 30-trading day period, which may commence at a date later than six months after the completion of the De-SPAC Transaction or may impose additional objective targets, as compared to the terms stated above) will be disclosed in the announcement and the document for the De-SPAC Transaction. No instrument representing the Earn-out Right will be issued which will entitle its holder to any other rights such as voting and dividend rights. If we fail to complete the De-SPAC Transaction within 36 months from the [REDACTED] (or such other extension period approved by the Shareholders and the Stock Exchange), the Earn-out Right will be cancelled and become void.

The Earn-out Right, including the number of Earn-out Shares to be issued pursuant to exercise of the Earn-out Right and the Earn-out Exercise Price, will be subject to adjustment for sub-division or consolidation of the Shares provided that it will not result in the Promoters being entitled to a higher proportion of Successor Shares than it was originally entitled as of the [REDACTED] and in compliance with the Listing Rules.

### ANTI-DILUTION ADJUSTMENTS

In the event of any sub-division or consolidation of Shares, the number of Successor Shares into which the Promoter Shares are convertible on a one-for-one ratio will be correspondingly adjusted in proportion to the increase or decrease, as applicable, and shall not result in the Promoters being entitled to a higher proportion of Promoter Shares than it was originally entitled as of the [REDACTED], i.e. [REDACTED]% of the total number of Shares in issue on the [REDACTED]. The number of Successor Shares to be issued upon the exercise of the Warrants and the Earn-out Rights will also be adjusted proportionately for the aforesaid events.

Adjustments for dilutive events not provided for above may be proposed by the Board, acting on a fair and reasonable basis and always subject to any requirements under the Listing Rules. Details of any adjustments will, following consultation with the Stock Exchange and subject to its

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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approval (if required), the Shareholders and the Warrantholders by way of an announcement on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website at [www.hkacquisition.com](http://www.hkacquisition.com).

### PROMOTERS' UNDERTAKINGS

Pursuant to Rule 18B.66 of the Listing Rules, each of the Promoters has irrevocably undertaken to the Stock Exchange not to, and to procure the relevant holder not to, dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of any securities of the Successor Company (including any securities of our Company beneficially owned by the Promoters as a result of the issue, conversion or exercise of the Promoter Shares, the Promoter Warrants and the Earn-out Right) before the first anniversary of the De-SPAC Transaction Completion Date, except (a) to the relevant Promoter itself or its Permitted Transferee (provided that such transfer does not result in a transfer of beneficial ownership of the Promoter Shares and the Promoter Warrant other than the relevant Promoter itself); (b) in exceptional circumstances as permitted by the Stock Exchange and subject to the approval of an ordinary resolution by shareholders at a general meeting, on which the Promoters and their close associates must abstain from voting.

Each of the Promoters, Extra Shine, Pride Vision and HK Acquisition (BVI) has also irrevocably undertaken to the Stock Exchange that so long as any Promoter Shares and/or Promoter Warrants are held on behalf of the Promoters by any of them, directly or indirectly through Extra Shine, Pride Vision and/or HK Acquisition (BVI) (as the case may be), each of them will comply, and will procure Extra Shine, Pride Vision and HK Acquisition (BVI) (as the case may be) to comply, with the requirements under the Listing Rules that are applicable to the Promoters.

HK Acquisition (BVI) has further irrevocably undertaken to the Stock Exchange that it will remain as a vehicle wholly owned by the Promoters to hold the Promoter Shares and the Promoter Warrants on behalf of the Promoters and will not issue any shares to any third parties, and it will not amend its articles of association or shareholders' agreement unless with the prior consent of the Stock Exchange.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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### PROMOTERS’ AGREEMENT

Our Company has entered into the Promoters’ Agreement with our Promoters, pursuant to which each of the Promoters has agreed to:

- (a) as required by the Listing Rules, abstain, and procure its respective close associates and any registered holders of its Shares to abstain, from voting on the relevant resolution with respect to their Promoter Shares and SPAC Shares purchased by the Promoters pursuant to the [REDACTED], if any, to (i) approve the De-SPAC Transaction; (ii) approve the extension of the De-SPAC Transaction Announcement Deadline or the De-SPAC Transaction Completion Deadline; or (iii) approve the continuation of our Company following a Material Change Event, if any; and
- (b) irrevocably waives, to the fullest extent permitted by applicable laws, any rights it may have on any monies held in the Escrow Account with respect to any Promoter Shares and Promoter Warrants held by it; and
- (c) indemnify our Company for any shortfall in funds held in the Escrow Account if and to the extent that any claim by (i) a third party for services rendered or products sold to us, or (ii) any De-SPAC Target with which we have entered into an agreement for a De-SPAC Transaction, reduces the amount of funds in the Escrow Account to below the amount required to be paid back to the SPAC Shareholders (being the [REDACTED] per SPAC Share in all circumstances), provided that such indemnity will not apply to any claims by a third party or a De-SPAC Target that has agreed to waive its rights to the monies held in the Escrow Account (whether or not such waiver is enforceable).

### ALTERATIONS OF SHARE CAPITAL

Pursuant to the Articles of Association and subject to the requirements of the relevant laws and regulations in the Cayman Islands, our Company may from time to time (including for the purpose of facilitating the completion of a De-SPAC Transaction) by ordinary resolution of Shareholders (a) increase its share capital; (b) consolidate and divide its share capital into shares of a larger amount; (c) sub-divide its Shares or any of them into Shares of a smaller amount; and (d) cancel any Shares which have not been taken. In addition, our Company may subject to the provisions of the Cayman Companies Act reduce its share capital or capital redemption reserve fund by its Shareholders passing a Special Resolution. See “Appendix III — Summary of the Constitution of The Company and Cayman Islands Company Law — 2. Articles of Association — 2.4 Alteration of capital” for further details.

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## SHARE CAPITAL AND SECURITIES OF THE SPAC

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### **CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED**

As a matter of the Cayman Companies Act, an exempted company is not required by law to hold any general meeting or class meeting. The holding of general meeting or class meeting is prescribed under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed under the relevant provisions of the Articles a summary of which is set out in “Appendix III — Summary of the Constitution of The Company and Cayman Islands Company Law— 2. Articles of Association — 2.7 — Annual general meetings and extraordinary general meetings.”