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## HK ACQUISITION CORPORATION

### 香港匯德收購公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 7841)

(Warrant Code: 4841)

## ANNOUNCEMENT OF INTERIM RESULTS

### FOR THE PERIOD

FROM 26 JANUARY 2022 (DATE OF INCORPORATION) TO 30 JUNE 2022

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of HK Acquisition Corporation (the “**Company**”) is pleased to announce the unaudited interim results of the Company for the period from 26 January 2022 to 30 June 2022 (the “**Reporting Period**”).

### Statement of profit or loss and other comprehensive income

for the period from 26 January 2022 (date of incorporation) to 30 June 2022 — unaudited

		Period from 26 January 2022 (date of incorporation) to 30 June 2022 HK\$
<b>Revenue</b>		—
Incorporation expenses		157,245
Listing expenses		1,333,629
Other operating expenses		499,436
		<hr/>
<b>Loss before taxation</b>		1,990,310
Income tax	3	—
		<hr/>
<b>Loss and total comprehensive income for the period</b>		<u>1,990,310</u>
		<hr/>
<b>Loss per share</b>	4	
Basic and diluted		<u>1.54</u>

**Statement of financial position***at 30 June 2022 — unaudited*

	<i>Note</i>	<b>As at 30 June 2022 HK\$</b>
<b>Assets</b>		
Deferred legal and professional fees	5	4,734,514
Prepayments		579,248
Cash and cash equivalents		<u>2,301</u>
		----- 5,316,063
<b>Liabilities</b>		
Accrued legal and professional fees		1,051,700
Amount due to the Promoter Company	6	<u>6,252,172</u>
		----- 7,303,872
<b>Net liabilities</b>		<u><u>(1,987,809)</u></u>
<b>Capital and reserve</b>		
Share capital		2,501
Reserve		<u>(1,990,310)</u>
<b>Net deficit</b>		<u><u>(1,987,809)</u></u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENT

## 1 General information

The Company was incorporated in the Cayman Islands on 26 January 2022. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The memorandum and articles of association authorizes the issuance of Class A ordinary shares (the “**SPAC Shares**”) and Class B ordinary shares (the “**Promoter Shares**”). Only the Promoter Shares have been issued prior to the initial public offering (the “**SPAC Offering**”). On 15 August 2022, the Company completed its SPAC Offering and issued (i) 100,050,000 SPAC Shares and (ii) 50,025,000 warrants (“**SPAC Warrants**”) at an offering price of HK\$10.00 for one SPAC Share.

The Company's promoters are Dr. Chan Tak Lam Norman, Ms. Tsang King Suen Katherine and Max Giant Limited (together the “**Promoters**”) who, respectively, holds 51%, 32% and 17% of Hong Kong Acquisition Company Limited (the “**Promoter Company**”). The Promoter Company was incorporated in the British Virgin Islands with limited liability. All the Promoter Shares are and will be held by the Promoter Company on behalf of the Promoters.

## 2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorized for issue on 30 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the historical financial information of the Company for the period from 26 January 2022 (date of incorporation) to 15 February 2022 (the “**Historical Financial Information**”) as set out in the listing document of the Company dated 9 August 2022 (the “**Listing Document**”), which had been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

On 30 June 2022, the Company had net liabilities of HK\$1,987,809, which are primarily due to amounts owed to the Promoter Company for financing costs in relation to the SPAC Offering and amounts owed to professionals, consultants, advisors and others who are working on the SPAC Offering. Such work is continuing after 30 June 2022.

Based on the cash flow projections considering the completion of the SPAC Offering and the financial assistance to be provided by the Promoter Company by way of a loan facility as detailed in the section headed “Connected Transaction” in the Listing Document, the directors have a reasonable expectation that the Company is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations. Therefore, the interim financial report has been prepared on a going concern basis.

### **3 Income tax**

No income tax has been recognized as the Company is not currently subject to income tax in the Cayman Islands and in opinion of the directors, the Company has no assessable profits in any other jurisdictions.

### **4 Loss per share**

The calculation of the basic loss per share for the period from 26 January 2022 (date of incorporation) to 30 June 2022 is based on the loss for the period attributable to equity shareholders of the Company divided by the weighted average number of Promoter Shares, calculated as follows:

*(i) Loss for the period attributable to equity shareholders of the Company*

	<b>Period from 26 January 2022 (date of incorporation) to 30 June 2022 HK\$</b>
Loss for the period attributable to equity shareholders of the Company	<u><u>1,990,310</u></u>

(ii) *Weighted average number of shares*

	<b>Period from 26 January 2022 (date of incorporation) to 30 June 2022</b>
	<i>Number of Promoter Shares</i>
Issued Promoter Shares at 26 January 2022	—
Effect of Promoter Shares issued	<u>1,290,969</u>
Weighted average number of Promoter Shares at 30 June 2022	<u><u>1,290,969</u></u>

The calculation of diluted loss per share for the period from 26 January 2022 (date of incorporation) to 30 June 2022 has not included the potential effects of SPAC Shares issued, as they had an anti-dilutive effect on the basic loss per share for the period.

**5 Deferred legal and professional fees**

This represents transactions costs for the SPAC Offering.

**6 Amount due to the Promoter Company**

The balance is unsecured, interest-free and repayable on demand.

**7 Dividends**

No dividends have been paid or declared by the Company during the period from 26 January 2022 (date of incorporation) to 30 June 2022.

## OVERVIEW AND OUTLOOK

### Operation review

The Company is a special purpose acquisition company incorporated for the purpose of conducting an acquisition of, or a business combination with, one or more companies or operating businesses (referred to as a De-SPAC Transaction within the meaning as ascribed to it under Rule 18B.01 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Although it is not limited to, and may pursue targets in, any industry or geography, the Company intends to focus 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.

The mission of the Company is to generate attractive returns for its shareholders by selecting a high-quality target for a De-SPAC Transaction (the “**De-SPAC Target**”), negotiating favorable acquisition terms at an attractive valuation, and empowering its successor company to achieve substantial success post De-SPAC Transaction.

During the Reporting Period, the Company had not selected any specific De-SPAC Target, and the Company had not, nor had anyone on its behalf, engaged in any substantive discussions, directly or indirectly, with any De-SPAC Target with respect to a De-SPAC Transaction, or entered into any binding agreement with respect to a potential De-SPAC Transaction. Prior to the completion of the De-SPAC Transaction, the Company will not engage in any operations other than in connection with the selection, structuring and completion of the De-SPAC Transaction.

### Prospects

The Company will have 24 months from 15 August 2022, being the date of its listing (the “**Listing Date**”) to make an announcement of the terms of a De-SPAC Transaction and 36 months from the Listing Date to complete the De-SPAC Transaction, subject to any extension period approved by the shareholders of the Company (the “**Shareholders**”) and the Stock Exchange of up to six months. In the forthcoming months, the Company will use its best endeavours to source a De-SPAC Target with strong and sustainable growth prospects and recommend it for approval by the Shareholders and the Stock Exchange.

It is expected that substantial costs will be incurred in evaluating potential De-SPAC Targets and in negotiating and executing a De-SPAC Transaction. If the Company is successful in negotiating a De-SPAC Transaction, it intends to effectuate the transaction using (i) the proceeds from the offering of the class A ordinary shares (the “**SPAC Shares**”) of the Company and warrants issued to independent subscribers (the “**SPAC Warrants**”) (the “**SPAC Offering**”); (ii) proceeds from the sale of the warrants (the “**Promoter Warrants**”) issued to the promoters of the Company (the “**Promoters**”); (iii) the interest and other

income earned on the funds held in the escrow account; (iv) proceeds from mandatory independent third party investments; (v) loans from the Company's promoters or their affiliates; (vi) shares issued to the owners of the De-SPAC Target; (vii) funds from any forward purchase agreements or backstop agreements; or (viii) any other equity or debt securities, or a combination of the foregoing.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Company has not carried on any business since the date of its incorporation and is not expected to generate any operating revenue other than interest income until the completion of the De-SPAC Transaction, at the earliest.

The Company may generate income in the form of interest and other income on the proceeds from the SPAC Offering and the sale of the Promoter Warrants, and it might receive loans from the Promoters or their affiliates under the unsecured, interest-free loan facility of a principal amount up to HK\$10.0 million provided by Hong Kong Acquisition Company Limited (the "**Promoter Company**") to the Company or other arrangements.

### **Results of operations**

During the Reporting Period, the Company has not engaged in any operations, apart from organizational activities and those necessary to prepare for the SPAC Offering.

The Company generated nil revenue and incurred expenses of HK\$1,990,310 during the Reporting Period. As of 30 June 2022, the Company had net liabilities of HK\$1,987,809.

### **Liquidity and capital resources**

On 15 August 2022, the Company received gross proceeds of HK\$1,000,500,000 from the SPAC Offering, which was deposited in an escrow account in Hong Kong. The funds held in the escrow account may be released only to complete the De-SPAC Transaction, satisfy redemption requests of the holders of the SPAC Shares (the "**SPAC Shareholders**"), and return funds to the SPAC Shareholders upon the suspension of trading of the SPAC Shares and the SPAC Warrants or upon the liquidation or winding up of the Company.

The net proceeds from the sale of the Promoter Warrants, after deducting underwriting related expenses of approximately HK\$15.2 million and listing expenses of the Company payable following the completion of the SPAC Offering of approximately HK\$7.3 million, will be approximately HK\$8.9 million, which will be used to meet the working capital requirements during the period prior to the De-SPAC Transaction.

As of 30 June 2022, the Company had cash and cash equivalents of approximately HK\$2,301, all of which are denominated in Hong Kong dollars.

## **Borrowings and Gearing Ratio**

As the Company did not have any borrowings as of 30 June 2022, the net gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective period divided by total equity as at the same date) was not applicable as of 30 June 2022.

## **Charge on Assets**

As of 30 June 2022, there was no charge on assets of the Company.

## **Contingent liabilities**

As of 30 June 2022, the Company did not have any loan issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities, except for the amount of HK\$6,252,172 due to the Promoter Company.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Company will continue to focus on its business strategies as set out in the listing document of the Company dated 9 August 2022 (the “**Listing Document**”). As of 30 June 2022, the Company has no other future plans for any material investments or capital assets.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

There was no such purchase, sale or redemption of the listed securities of the Company during the Reporting Period as the Company was not listed on the Stock Exchange as of 30 June 2022.

## **FOREIGN CURRENCY RISK**

In the event that the Company acquires a non-Hong Kong target, all revenue and income would likely be received in a foreign currency, and the dollar equivalent of the Company’s net assets and distributions, if any, could be adversely affected by reductions in the value of the local currency. Foreign currency values fluctuate and are affected by, among other things, changes in political and economic conditions. Any change in the relative value of such currency against the Company’s reporting currency may affect the attractiveness of any De-SPAC Target or, following the completion of the De-SPAC Transaction, the successor company’s financial condition and results of operations. Additionally, if a currency appreciates in value against the Hong Kong dollar prior to the completion of the De-SPAC Transaction, the cost of a De-SPAC Target as measured in Hong Kong dollars will increase,



which may make it less likely that the Company is able to consummate such transaction. Furthermore, if the foreign country in which the successor company operates has any restrictions on the transfer of money into and out of its jurisdiction, the Company may not be able to freely transfer funds to complete the De-SPAC Transaction, support the successor company's operations or pay dividends to its Shareholders.

## **MATERIAL ACQUISITION AND DISPOSAL**

There was no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

## **EMPLOYEE AND REMUNERATION POLICY**

As of 30 June 2022, the Company had no full-time employees (26 January 2022: Nil) and no staff cost has been recognized as expenses of the Company during the Reporting Period.

As a special purpose acquisition company, the Company does not intend to have any full-time employees prior to the completion of the De-SPAC Transaction. Thus, there was no remuneration policy during the Reporting Period and up to the date of this announcement. Any remuneration policy to be adopted after completion of the De-SPAC Transaction will be determined by the Board and reviewed by the remuneration committee of the Company having taken into account of the business type and size of the De-SPAC Target. In general, the Company expects that the remuneration policy of the Company will provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff, and the Company will determine employee salaries based on each employee's qualification, position and seniority.

## **CORPORATE GOVERNANCE**

The Directors recognize the importance of incorporating elements of good corporate governance in the management structure and internal control procedures of the Company so as to achieve effective accountability.

Given that the Company has only been listed on the Stock Exchange on 15 August 2022, the principles and code provisions of the corporate governance code (the "CG Code") contained in Part 2 of Appendix 14 to the Listing Rules do not apply to the Company during the Reporting Period. The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

From the Listing Date to the date of this announcement, so far as the Directors are aware, the Company has complied with all the applicable code provisions set out in the CG Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as contained in Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. The provisions of the Listing Rules regarding directors’ compliance with the code of conduct for securities transactions shall apply to the Company from the Listing Date. As the Company has only been listed on the Stock Exchange on 15 August 2022, the Model Code does not apply to the Company during the Reporting Period.

All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the guidelines contained in the Model Code since the Listing Date and up to the date of this announcement.

## **INTERIM DIVIDEND**

The Board resolved not to declare the payment of any interim dividend for the Reporting Period.

## **EVENTS AFTER THE REPORTING PERIOD**

- (a) The SPAC Shares and the SPAC Warrants have been listed on the Main Board of the Stock Exchange since 15 August 2022. The gross proceeds of HK\$1,000,500,000 was deposited into an escrow account. By applying the accounting policies described in the historical financial information of the Company for the period from 26 January 2022 (date of incorporation) to 15 February 2022 (the “**Historical Financial Information**”) as set out in the Listing Document, financial liabilities arising from the SPAC Shares are accounted for as financial liabilities measured at the redemption amount and the SPAC Warrants are accounted for as derivative liabilities measured at fair value through profit or loss.
- (b) Upon completion of the SPAC Offering, the Promoter Company subscribed for 31,400,000 Promoter Warrants in a private placement at a price of HK\$1.00 each. By applying the accounting policies described in the Historical Financial Information, Promoter Warrants, together with the conversion right in the Class B ordinary shares, are accounted for as equity-settled share-based payment. The service in relation to the share-based payment (i.e. identifying an appropriate De-SPAC Target and completing the De-SPAC Transaction) commenced upon completion of the SPAC Offering.

## **PROCEEDS FROM THE SPAC OFFERING**

The Company received gross proceeds of HK\$1,000,500,000 from the SPAC Offering. All of the gross proceeds from the SPAC Offering are held in an escrow account in Hong Kong pursuant to Rule 18B.16 of the Listing Rules and are held in the form of cash or cash equivalents, which may include 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. The gross proceeds from the SPAC Offering to be held in the escrow account do not include the proceeds of HK\$31,400,000 from the issue of the Promoter Warrants pursuant to a private Placement occurred with the SPAC Offering.

## **REVIEW OF INTERIM RESULTS**

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code.

The primary duties of the Audit Committee are to review and monitor the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit. The Audit Committee currently consists of three members, namely Mr. Wong See Ho, Mr. Hui Chiu Chung and Mr. Zhang Xiaowei, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. Wong See Ho, who has over 40 years of professional accountancy and managerial experience in the transport and logistics industry. He possesses appropriate professional qualifications and has been a fellow member of the Hong Kong Institute of Certified Public Accountants since July 1982 and a chartered fellow of The Chartered Institute of Logistics and Transport since August 2011. The Audit Committee has reviewed the interim results for the Reporting Period.

The independent auditor of the Company, namely KPMG, has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the HKICPA, whose unmodified review report is included in the interim financial report to be sent to the Shareholders.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the website of the Company at [www.hkacquisition.com](http://www.hkacquisition.com). The Company's interim report for the Reporting Period will be dispatched to the Shareholders and published on the aforementioned websites in due course.

By order of the Board  
**HK Acquisition Corporation**  
**CHAN Tak Lam Norman**  
*Chairman of the Board and Executive Director*

Hong Kong, 30 August 2022

*As at the date of this announcement, the Board comprises Dr. Chan Tak Lam Norman, Ms. Tsang King Suen Katherine, Dr. Wong Shue Ngar Sheila and Mr. Tsang Hing Shun Thomas as executive Directors and Mr. Hui Chiu Chung, Mr. Wong See Ho, Prof. Tang Wai King Grace and Mr. Zhang Xiaowei as independent non-executive Directors.*