



HK ACQUISITION CORPORATION

香港匯德收購公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號：7841

Warrant code 權證代號：4841

2022

INTERIM REPORT

中期報告

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Chan Tak Lam Norman
Ms. Tsang King Suen Katherine
Dr. Wong Shue Ngar Sheila
Mr. Tsang Hing Shun Thomas

Independent Non-executive Directors

Mr. Hui Chiu Chung
Mr. Wong See Ho
Prof. Tang Wai King Grace
Mr. Zhang Xiaowei

AUDIT COMMITTEE

Mr. Wong See Ho (*Chairman*)
Mr. Hui Chiu Chung
Mr. Zhang Xiaowei

REMUNERATION COMMITTEE

Prof. Tang Wai King Grace (*Chairlady*)
Ms. Tsang King Suen Katherine
Mr. Wong See Ho

NOMINATION COMMITTEE

Dr. Chan Tak Lam Norman (*Chairman*)
Mr. Zhang Xiaowei
Prof. Tang Wai King Grace

PROMOTERS

Dr. Chan Tak Lam Norman
Ms. Tsang King Suen Katherine
Max Giant Limited

SENIOR ADVISOR

Dr. Lam Lee G.

COMPANY SECRETARY

Mr. Lee Chung Shing

WEBSITE

www.hkacquisition.com

STOCK CODE: 7841

WARRANT CODE: 4841

AUDITOR

KPMG
Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

LEGAL ADVISOR

Sidley Austin
39/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

COMPLIANCE ADVISOR

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Central
Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309 Uglund House
Grand Cayman KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 4310-11
Tower One, Times Square
1 Matheson Street,
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

DEFINITIONS

In this report, unless the context otherwise requires, the following words and expressions have the following meanings:

“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person, which has the meaning ascribed to it in Rule 501(b) under the United States Securities Act of 1933
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“BVI”	British Virgin Islands
“China” or “PRC”	the People’s Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires, references in this report to “China” or the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
“Company”, “our Company”, “we”, “our” or “us”	HK Acquisition Corporation (香港匯德收購公司), an exempted company incorporated in the Cayman Islands with limited liability and the SPAC Shares (stock code: 7841) and the SPAC Warrants (warrant code: 4841) of which are listed on the Stock Exchange
“CG Code”	the Corporate Governance Code set out in Part 2 of Appendix 14 to the Listing Rules
“De-SPAC Target”	a company or operating business which is the subject matter of a De-SPAC Transaction
“De-SPAC Transaction”	an acquisition, of, or a business combination with, a De-SPAC Target by our Company that fulfills the requirements under Rule 18B.36 of the Listing Rules and results in the listing of a Successor Company
“Director(s)”	director(s) of the Company
“Extra Shine”	Extra Shine Limited, a company incorporated in the BVI with limited liability, which is wholly owned by Dr. Chan Tak Lam Norman and is one of the shareholders of HK Acquisition (BVI)
“Greater China”	for the purpose of this report, the area comprising the PRC, Hong Kong, Macau Special Administrative Region and Taiwan
“Historical Financial Information”	the historical financial information of the Company for the period from 26 January 2022 (date of incorporation) to 15 February 2022 set out in the Listing Document

DEFINITIONS

“HK Acquisition (BVI)” or “Promoter Company”	Hong Kong Acquisition Company Limited (香港匯德有限公司), a company incorporated in the BVI with limited liability on 2 December 2021, which is owned as to 51% by Extra Shine, 32% by Pride Vision and 17% by Max Giant, and which holds the Promoter Shares and the Promoter Warrants on behalf of the Promoters in proportion to their respective shareholdings
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	the listing of the SPAC Shares and the SPAC Warrants on the Stock Exchange
“Listing Date”	date of the Listing, which is 15 August 2022
“Listing Document”	the listing document issued by the Company dated 9 August 2022 in respect of the SPAC Offering
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Facility”	the unsecured, interest-free loan facility of a principal amount up to HK\$10.0 million provided by HK Acquisition (BVI) to the Company
“Max Giant”	Max Giant Limited (巨溢有限公司), a company incorporated in Hong Kong with limited liability and a licensed corporation to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, which is wholly owned by Dr. Wong Shue Ngar Sheila and is one of the Promoters and one of the shareholders of HK Acquisition (BVI)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“Pride Vision”	Pride Vision Group Limited, a company incorporated in the BVI with limited liability, which is wholly owned by Ms. Tsang King Suen Katherine and is one of the shareholders of HK Acquisition (BVI)
“Promoter(s)”	has the meaning ascribed to “SPAC Promoter” under the Listing Rules and, unless the context requires otherwise, refers to Dr. Chan Tak Lam Norman, Ms. Tsang King Suen Katherine and/or Max Giant, being the person(s) who establish(es) the Company and beneficially own(s) the Promoter Shares and the Promoter Warrants
“Promoter Share(s)”	the unlisted Class B ordinary share(s) of the Company with nominal value of HK\$0.0001 each owned beneficially and exclusively by the Promoters
“Promoter Warrant(s)”	the unlisted warrant(s) of the Company to be owned beneficially and exclusively by the Promoters

DEFINITIONS

“Reporting Period”	the period from 26 January 2022 to 30 June 2022
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the SPAC Share(s) and the Promoter Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“SPAC Offering”	the offering of the SPAC Shares and the SPAC Warrants to professional investors (as defined in part 1 of schedule 1 to the SFO)
“SPAC Share(s)”	the Class A ordinary share(s) of the Company with nominal value of HK\$0.0001 each which are listed on the Stock Exchange
“SPAC Shareholder(s)”	holder(s) of the SPAC Share(s)
“SPAC Warrant(s)”	the warrant(s) of the Company which are listed on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Successor Company”	the listed issuer resulting from the completion of a De-SPAC Transaction
“Successor Share(s)”	the share(s) of the Successor Company upon completion of a De-SPAC Transaction

CHAIRMAN'S STATEMENT

The Board is pleased to announce the unaudited interim results of the Company for the period from 26 January 2022 to 30 June 2022, i.e. the Reporting Period.

OVERVIEW AND OUTLOOK

Operation review

The Company is a special purpose acquisition company incorporated for the purpose of conducting a De-SPAC Transaction. 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 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 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 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 SPAC Offering; (ii) proceeds from the sale of the Promoter Warrants; (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 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 Loan Facility 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 FINANCIAL RESOURCES

On 15 August 2022, the Company received gross proceeds of HK\$1,000,500,000 from the SPAC Offering, which was deposited into 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 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\$15,200,000 and listing expenses of the Company payable following the completion of the SPAC Offering of approximately HK\$7,300,000, are approximately HK\$8,900,000, 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. As of 30 June 2022, the Company has no other future plans for any material investments or capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has no significant investments or 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 report. 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.

INTERIM DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

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, 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 Promoter 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 gross proceeds of HK\$31,400,000 from the issue of the Promoter Warrants pursuant to a private placement occurred concurrently with the SPAC Offering. 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, are approximately HK\$8.9 million.

The Company intends to, and can only, apply (i) the gross proceeds from the SPAC Offering to complete the De-SPAC Transaction which shall occur within 36 months from the Listing Date, satisfy redemption requests of 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; and (ii) the net proceeds from the sale of the Promoter Warrants to meet the working capital requirements during the period prior to the De-SPAC Transaction.

Further details of the breakdown and description of the use of proceeds are set out in the section headed "Proceeds from the SPAC Offering and Escrow Account" in the Listing Document. The Directors were not aware of any material change to the planned use of proceeds as at the Listing Date. The unutilized net proceeds and its following intended timeframe for utilization will be applied in the manner consistent with that mentioned in the Listing Document.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 CG Code 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 report, 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 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 report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As of 30 June 2022, the Company was not yet listed on the Stock Exchange and accordingly, the provisions of Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO were not applicable.

As of the Listing Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS IN SHARES OF THE COMPANY

Name of Shareholder	Nature of interest	Class of Shares	Number of Share(s) ⁽¹⁾	Percentage of shareholding in the relevant class	Percentage of shareholding in the total issued share capital
Dr. Chan Tak Lam Norman ⁽²⁾	Interest in controlled corporation	Promoter Shares	25,012,500 (L)	100%	20%
		Successor Shares ⁽³⁾	15,700,000 (L)	15.69%	12.55%
Ms. Tsang King Suen Katherine ⁽⁴⁾	Interest in controlled corporation	Promoter Shares	8,004,000 (L)	32%	6.40%
		Successor Shares ⁽⁵⁾	5,024,000 (L)	5.02%	4.02%
Dr. Wong Shue Ngar Sheila ⁽⁶⁾	Interest in controlled corporation	Promoter Shares	4,252,125 (L)	17%	3.40%
		Successor Shares ⁽⁷⁾	2,669,000 (L)	2.67%	2.13%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- HK Acquisition (BVI) is owned as to 51% by Extra Shine, which is wholly-owned by Dr. Chan Tak Lam Norman. By virtue of the SFO, Dr. Chan Tak Lam Norman is deemed to be interested in the Shares in which HK Acquisition (BVI) is interested.
- HK Acquisition (BVI) holds 31,400,000 Promoter Warrants, which entitle the holder to receive a maximum of 15,700,000 Successor Shares upon exercise on a cashless basis.
- Pursuant to the shareholders' agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Pride Vision is entitled to exercise the voting rights attaching to the 8,004,000 Promoter Shares which HK Acquisition (BVI) holds on its behalf. Pride Vision is wholly owned by Ms. Tsang King Suen Katherine. By virtue of the SFO, Ms. Tsang King Suen Katherine is deemed to be interested in the Shares in which Pride Vision is interested.
- Pursuant to the shareholders' agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Pride Vision is entitled to exercise the voting rights attaching to the 10,048,000 Promoter Warrants which HK Acquisition (BVI) holds on its behalf and which entitle the holder to receive a maximum of 5,024,000 Successor Shares upon exercise on a cashless basis.
- Pursuant to the shareholders' agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Max Giant is entitled to exercise the voting rights attaching to the 4,252,125 Promoter Shares which HK Acquisition (BVI) holds on its behalf. Max Giant is wholly owned by Dr. Wong Shue Ngar Sheila. By virtue of the SFO, Dr. Wong Shue Ngar Sheila is deemed to be interested in the Shares in which Max Giant is interested.
- Pursuant to the shareholders' agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Max Giant is entitled to exercise the voting rights attaching to the 5,338,000 Promoter Warrants which HK Acquisition (BVI) holds on its behalf and which entitle the holder to receive a maximum of 2,669,000 Successor Shares upon exercise on a cashless basis.

Save as disclosed above, as of the Listing Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as of the Listing Date, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would need to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares ⁽¹⁾	Percentage of shareholding in the relevant class	Percentage of shareholding in the total issued share capital
HK Acquisition (BVI)	Beneficial interest	Promoter Shares	25,012,500 (L)	100%	20%
		Successor Shares ⁽³⁾	15,700,000 (L)	15.69%	12.55%
Extra Shine ⁽²⁾	Interest in controlled corporation	Promoter Shares	25,012,500 (L)	100%	20%
		Successor Shares ⁽³⁾	15,700,000 (L)	15.69%	12.55%
Pride Vision ⁽⁴⁾	Beneficial interest	Promoter Shares	8,004,000 (L)	32%	6.40%
		Successor Shares ⁽⁵⁾	5,024,000 (L)	5.02%	4.02%
Max Giant ⁽⁶⁾	Beneficial interest	Promoter Shares	4,252,125 (L)	17%	3.40%
		Successor Shares ⁽⁷⁾	2,669,000 (L)	2.67%	2.13%
Antong Road Limited	Beneficial interest	SPAC Shares	47,035,000 (L)	47.01%	37.61%
		Successor Shares ⁽⁸⁾	11,758,750 (L)	11.75%	9.40%
Argyle Street Management Limited ⁽⁹⁾	Interest in controlled corporation	SPAC Shares	47,035,000 (L)	47.01%	37.61%
		Successor Shares	11,758,750 (L)	11.75%	9.40%
Argyle Street Management Holdings Limited ⁽⁹⁾	Interest in controlled corporation	SPAC Shares	47,035,000 (L)	47.01%	37.61%
		Successor Shares	11,758,750 (L)	11.75%	9.40%
Mr. Chan Kin ⁽⁹⁾	Interest in controlled corporation	SPAC Shares	47,035,000 (L)	47.01%	37.61%
		Successor Shares	11,758,750 (L)	11.75%	9.40%
Yue Xiu Investment Fund Series Segregated Portfolio Company- Yue Xiu Quantitative Growth SP ("Yue Xiu SP")	Beneficial interest	SPAC Shares	7,820,000 (L)	7.82%	6.25%
		Successor Shares ⁽¹⁰⁾	1,955,000 (L)	1.95%	1.56%
Yue Xiu Asset Management Limited ⁽¹¹⁾	Interest in controlled corporation	SPAC Shares	7,820,000 (L)	7.82%	6.25%
		Successor Shares	1,955,000 (L)	1.95%	1.56%
Optimal Success Investments Limited	Beneficial interest	SPAC Shares	9,315,000 (L)	9.31%	7.45%
		Successor Shares ⁽¹²⁾	2,328,750 (L)	2.33%	1.86%
Fortuna SPAC Fund SP3 ⁽¹³⁾	Interest in controlled corporation	SPAC Shares	9,315,000 (L)	9.31%	7.45%
		Successor Shares	2,328,750 (L)	2.33%	1.86%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The letter “L” denotes the person’s long position in the Shares.
2. HK Acquisition (BVI) is owned as to 51% by Extra Shine. By virtue of the SFO, Extra Shine is deemed to be interested in the Shares in which HK Acquisition (BVI) is interested.
3. HK Acquisition (BVI) holds 31,400,000 Promoter Warrants, which entitle the holder to receive a maximum of 15,700,000 Successor Shares upon exercise on a cashless basis.
4. Pursuant to the shareholders’ agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Pride Vision is entitled to exercise the voting rights attaching to the 8,004,000 Promoter Shares which HK Acquisition (BVI) holds on its behalf.
5. Pursuant to the shareholders’ agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Pride Vision is entitled to exercise the voting rights attaching to the 10,048,000 Promoter Warrants which HK Acquisition (BVI) holds on its behalf and which entitle the holder to receive a maximum of 5,024,000 Successor Shares upon exercise on a cashless basis.
6. Pursuant to the shareholders’ agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Max Giant is entitled to exercise the voting rights attaching to the 4,252,125 Promoter Shares which HK Acquisition (BVI) holds on its behalf.
7. Pursuant to the shareholders’ agreement dated 21 June 2022 between, among others, Extra Shine, Pride Vision and Max Giant in relation to HK Acquisition (BVI), Max Giant is entitled to exercise the voting rights attaching to the 5,338,000 Promoter Warrants which HK Acquisition (BVI) holds on its behalf and which entitle the holder to receive a maximum of 2,669,000 Successor Shares upon exercise on a cashless basis.
8. Antong Road Limited holds 23,517,500 SPAC Warrants, which entitles the holder to receive a maximum of 11,758,750 Successor Shares upon exercise on a cashless basis.
9. Antong Road Limited is wholly owned by Argyle Street Management Limited, which is wholly owned by Argyle Street Management Holdings Limited. Argyle Street Management Holdings Limited is in turn owned as to 50.13% by Mr. Chan Kin. Accordingly, by virtue of the SFO, each of Argyle Street Management Limited, Argyle Street Management Holdings Limited and Mr. Chan Kin is deemed to be interested in the Shares in which Antong Road Limited is interested.
10. Yue Xiu SP holds 3,910,000 SPAC Warrants, which entitles the holder to receive a maximum of 1,955,000 Successor Shares upon exercise on a cashless basis.
11. Yue Xiu SP is wholly owned by Yue Xiu Asset Management Limited. By virtue of the SFO, Yue Xiu Asset Management Limited is deemed to be interested in the Shares in which Yue Xiu Asset Management Limited is interested.
12. Optimal Success Investments Limited holds 4,657,500 SPAC Warrants, which entitles the holder to receive a maximum of 2,328,750 Successor Shares upon exercise on a cashless basis.
13. Optimal Success Investments Limited is wholly owned by Fortuna SPAC Fund SP3. By virtue of the SFO, Fortuna SPAC Fund SP3 is deemed to be interested in the Shares in which Optimal Success Investments Limited is interested.

Save as disclosed above, as of the Listing Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would need to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF INTERIM RESULTS

The Board has established the Audit Committee with written terms of reference in compliance with the CG Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hkacquisition.com).

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 (“**HKICPA**”) 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 of the Company 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 this interim financial report.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY

As of the date of this report, there were no changes in information of the Directors or chief executive of the Company that were required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

By order of the Board

HK Acquisition Corporation

CHAN Tak Lam Norman

Chairman of the Board and Executive Director

Hong Kong, 30 August 2022

INDEPENDENT REVIEW REPORT



To The Board of Directors of HK ACQUISITION CORPORATION

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 17 to 24 which comprises the statement of financial position of HK Acquisition Corporation (the “**Company**”) as of 30 June 2022 and the related statement of profit or loss and other comprehensive income and statement of changes in equity and condensed cash flow statement for the period from 26 January 2022 (date of incorporation) to 30 June 2022 and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2022 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

INDEPENDENT REVIEW REPORT

EMPHASIS OF MATTER

We draw attention to note 1 to the interim financial report, which describes the purpose and design of the Company and the consequences if the Company fails to announce and complete an acquisition within the specified timeframes. Our conclusion is not modified in respect of this matter.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 August 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

(Expressed in Hong Kong dollars)

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

The notes on pages 21 to 24 form part of this interim financial report.

STATEMENT OF FINANCIAL POSITION

At 30 June 2022 — unaudited

(Expressed in Hong Kong dollars)

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

The notes on pages 21 to 24 form part of this interim financial report.

STATEMENT OF CHANGES IN EQUITY

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

(Expressed in Hong Kong dollars)

	Note	Attributable to the equity shareholders of the Company		
		Share capital HK\$	Accumulated losses HK\$	Total HK\$
Balance at 26 January 2022 (date of incorporation)		—	—	—
Changes in equity for the period ended 30 June 2022:				
Issuance of Promoter Shares to the Promoter Company	7(a)	2,501	—	2,501
Loss and total comprehensive income for the period		—	(1,990,310)	(1,990,310)
Balance at 30 June 2022		2,501	(1,990,310)	(1,987,809)

The notes on pages 21 to 24 form part of this interim financial report.

CONDENSED CASH FLOW STATEMENT

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

(Expressed in Hong Kong dollars)

	Period from 26 January 2022 (date of incorporation) to 30 June 2022 HK\$
Operating activities	
Cash used in operations	(6,252,372)
Net cash used in operating activities	(6,252,372)
Financing activities	
Increase in amount due to the Promoter Company	6,252,172
Proceeds from Promoter Shares issued	2,501
Net cash generated from financing activities	6,254,673
Net increase in cash and cash equivalents	2,301
Cash and cash equivalents at 26 January 2022 (date of incorporation)	—
Cash and cash equivalents at 30 June 2022	2,301

The notes on pages 21 to 24 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

HK Acquisition Corporation (the “**Company**”) was incorporated in the Cayman Islands on 26 January 2022. The address of the Company’s registered office is PO Box 309, Uglund 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 at an offering price of HK\$10.00 for one SPAC Share (see note 10(a)) and (ii) 50,025,000 warrants (“**SPAC Warrants**”).

The Company was incorporated for the purpose of acquiring a suitable target that results in the listing of a successor company (the “**De-SPAC transaction**”) within the time limits required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Further details in this regard are set out in note 1(f) to 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**”). In particular, the Company is required to announce the terms of the De-SPAC transaction within 24 months of the SPAC Offering and complete the De-SPAC transaction within 36 months (the “**De-SPAC Deadline**”). If the Company does not announce and complete the De-SPAC transaction by the De-SPAC Deadline, the Company would: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than one month after the date that trading in the SPAC Shares is suspended, redeem the SPAC Shares in cash which would completely extinguish the rights of the holders of the SPAC Shares as shareholders (including the right to receive further liquidation distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the board of directors, liquidate and dissolve, subject in each case to the Company’s obligations under Cayman Islands law to provide for claims of creditors and the other requirements of applicable laws.

The Company had 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. All activities for the period from 26 January 2022 (date of incorporation) to 30 June 2022 related to the Company’s formation and the SPAC Offering.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

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, 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.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed financial statements and selected explanatory notes. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on pages 15 and 16.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

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

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

(ii) Weighted average number of shares

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

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

7 CAPITAL, RESERVE AND DIVIDENDS

(a) Share capital

	2022	
	No. of shares	Share capital HK\$
Promoter Shares (par value HK\$0.0001 per share), issued and fully paid:		
At 26 January	1	—*
Shares issued on 22 June	25,012,499	2,501
At 30 June	25,012,500	2,501

* The balance represents amount less than HK\$1.

On 26 January 2022 and 22 June 2022, the Company issued 1 Promoter Share and 25,012,499 Promoter Shares to the Promoter Company respectively at an aggregate subscription price of HK\$2,501.

(b) 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.

8 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of financial instruments carried at amortized cost

All financial instruments of the Company are carried at amortized cost, which are not materially different from their fair values as at 30 June 2022.

9 MATERIAL RELATED PARTY TRANSACTIONS

Except for the amount due to the Promoter Company disclosed in note 6, the Company had no material transactions with its related parties during the period from 26 January 2022 (date of incorporation) to 30 June 2022.

10 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) The Company's SPAC Shares and SPAC Warrants have been listed on the Main Board of The Stock Exchange of Hong Kong Limited 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, financial liabilities arising from the SPAC Shares are accounted for as financial liabilities measured at the redemption amount and SPAC Warrants are accounted for as derivative liabilities measured at fair value through profit or loss.

(b) Upon the completion of SPAC Offering, the Promoter Company subscribed 31,400,000 warrants (the "**Promoter Warrants**") in a private placement at a price of HK\$1.00 per Promoter Warrant. By applying the accounting policies described in the Historical Financial Information, Promoter Warrants, together with the conversion right in the Promoter Shares, are accounted for as equity-settled share-based payment. The service in relation to the share-based payment (i.e. identifying an appropriate target for the De-SPAC transaction and completing the De-SPAC transaction) commenced upon the completion of SPAC Offering.

