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## **Vision Deal HK Acquisition Corp.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 7827)**

**(Warrant Code: 4827)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The board of directors of Vision Deal HK Acquisition Corp. hereby announces the unaudited interim results of the Company for six months ended 30 June 2023, which have been reviewed by the Audit Committee, are as follows:

#### **CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 JUNE 2023*

		<b>For the six months ended 30 June 2023 HK\$'000 (Unaudited)</b>	<b>For the period from 20 January 2022 (date of incorporation) to 30 June 2022 HK\$'000 (Unaudited)</b>
	<i>Notes</i>		
Revenue	4	–	–
Other income and loss	4	<b>19,387</b>	82
Change in fair value of warrant liabilities		–	(27,528)
Amortisation of transaction costs on redeemable Class A Shares		–	(59,584)
Listing expenses		–	(3,986)
Administrative expenses		<u>(60,265)</u>	<u>(5,928)</u>
Loss before income tax expense	5	<b>(40,878)</b>	(96,944)
Income tax expense	6	<u>–</u>	<u>–</u>
Loss and total comprehensive loss for the period		<u><b>(40,878)</b></u>	<u>(96,944)</u>
Loss per share	7		
— Basic and diluted (HK\$)		<u><b>(1.633)</b></u>	<u>(4.423)</u>

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2023*

		<b>As at 30 June 2023</b>	As at 31 December 2022
	<i>Notes</i>	<b>HK\$'000</b> <b>(Unaudited)</b>	<b>HK\$'000</b> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Restricted bank deposits	9	<u>1,001,000</u>	<u>1,001,000</u>
		<u>1,001,000</u>	<u>1,001,000</u>
<b>CURRENT ASSETS</b>			
Prepayment		722	511
Amount due from promoters		696	432
Cash and cash equivalents		<u>20,327</u>	<u>8,001</u>
		<u>21,745</u>	<u>8,944</u>
<b>CURRENT LIABILITIES</b>			
Accruals and other payable	10	35,369	35,870
Amount due to a promoter		50	50
Redeemable Class A Shares	11	1,001,000	1,001,000
Warrant liabilities	11	<u>30,030</u>	<u>30,030</u>
		<u>1,066,449</u>	<u>1,066,950</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,044,704)</u>	<u>(1,058,006)</u>
<b>NET LIABILITIES</b>		<u>(43,704)</u>	<u>(57,006)</u>
<b>EQUITY</b>			
Share capital	12	3	3
Reserves		<u>(43,707)</u>	<u>(57,009)</u>
<b>TOTAL DEFICITS</b>		<u>(43,704)</u>	<u>(57,006)</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

### 1. GENERAL INFORMATION AND BUSINESS OPERATION

Vision Deal HK Acquisition Corp. (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 20 January 2022. The Company is a special purpose acquisition company (“**SPAC**”) and at an early stage, as such, the Company is subject to all of the risks associated with early stage companies. The Company is incorporated for the purpose of an acquisition of, or a business combination with a target of a De-SPAC transaction (the “**De-SPAC Target**”) by the Company that results in the listing of a successor company (the “**De-SPAC Transaction**”). As at 30 June 2023, the Company has not selected any potential business combination target and the Company has not, nor has anyone on its behalf, initiated any substantive discussions, directly or indirectly, with any De-SPAC Target with respect to a De-SPAC Transaction with it.

The address of the Company’s registered office is 71 Fort Street, PO Box 500, Grand Cayman, Cayman Islands KY1-1106.

The Company has not had any other business operations other than administration related to establishing SPAC entity and identifying acquisition target. The Company is not expected to generate any operating revenues other than interest income until after the completion of the De-SPAC Transaction, at the earliest. The Company has selected 31 December as its financial year end.

The Company has 100,100,000 Class A Shares (the “**Class A Shares**”) and 50,050,000 Listed Warrants (the “**Listed Warrants**”) issued and outstanding as at 30 June 2023, which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 10 June 2022 (the “**Listing**”). The Company also has 25,025,000 Class B Shares (the “**Class B Shares**”) and 35,000,000 promoter warrants (the “**Promoter Warrants**”) issued and outstanding as at 30 June 2023 that are not listed on the Stock Exchange.

As at 30 June 2023, 45%, 45% and 10% of the Class B Shares of the Company are held by VKC Acquisition Management Limited, Vision Deal Acquisition Sponsor LLC and Opus Vision SPAC Limited, respectively. VKC Acquisition Management Limited, Vision Deal Acquisition Sponsor LLC and Opus Vision SPAC Limited are investment holding companies wholly owned by Mr. Zhe Wei, DealGlobe Limited and Opus Capital Limited, respectively.

Mr. Zhe Wei, DealGlobe Limited and Opus Capital Limited are the promoters (the “**Joint Promoters**”).

The Class B Shares are convertible into Class A Shares on a one-for-one basis at or following the completion of the De-SPAC Transaction, subject to anti-dilution adjustment.

The Listed Warrants will be exercisable 30 days after the completion of the De-SPAC Transaction up to the date that is five years after the date on which the Company completes the De-SPAC Transaction.

The Listed Warrants will expire on the date that is five years after the date on which the Company completes the De-SPAC Transaction or earlier upon redemption or liquidation.

The Promoter Warrants may not be transferred except in the very limited circumstances permitted by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and subject to compliance with the requirements thereof. The Promoter Warrants are not exercisable until 12 months after the completion of the De-SPAC Transaction as required by the Listing Rules. Except as described above, the Promoter Warrants have terms and provisions that are identical to those of the Listed Warrants.

The gross proceeds of HK\$1,001,000,000 from the Listing are placed in an escrow account (the “**Escrow Account**”). Except for interest and other income earned from the funds held in the Escrow Account that may be released to the Company to pay its expenses, the proceeds from the Listing will not be released from the Escrow Account other than to:

- (i) complete of the De-SPAC Transaction; in connection with which the funds held in the Escrow Account will be used to pay (in order of priority), amounts due to the holders of Class A Shares (the “**Class A Shareholders**”) who exercise their redemption rights, all or a portion of the consideration payable to the De-SPAC Target or owners of the De-SPAC Target, and other expenses associated with completing the De-SPAC Transaction;
- (ii) meet redemption requests of Class A Shareholders in connection with a Shareholder vote to (i) approve the continuation of the Company following a material change referred to in Rule 18B.32 of the Listing Rules, or in any of joint largest promoters who, together with their close associates (including their respective promoters special purpose vehicles (the “**Promoters SPVs**”), hold an equal number of Class B Shares; or (ii) modifying the timing of the Company’s undertakings to announce a De-SPAC Transaction within 18 months from 10 June 2022 (the “**Listing Date**”) or complete the De-SPAC Transaction within 30 months of the Listing Date, respectively (or, if these time limits are extended pursuant to Class A Shareholders’ vote and in accordance with the Listing Rules and the De-SPAC Transaction is not announced or completed, as applicable, within such extended time limits);
- (iii) return funds to Class A Shareholders within one month of a suspension of trading imposed by the Stock Exchange if the Company (1) fails to obtain the requisite approvals in respect of the continuation of the Company following a material change referred to in Rule 18B.32 of the Listing Rules, or in any of our joint largest promoters who, together with their close associates (including their respective Promoter SPVs), hold an equal number of Class B Shares; or (2) fails to meet any of the following deadlines (extended or otherwise) to (i) publish an announcement of the terms of a De-SPAC Transaction within 18 months of the Listing Date or (ii) complete a De-SPAC Transaction within 30 months of the Listing Date; or (iii) return funds to Class A Shareholders; or
- (iv) return funds to Class A Shareholders upon the liquidation or winding up of the Company.

The Class A Shareholders will be entitled to redeem their Class A Shares for a pro rata portion of the amount then in the Escrow Account of an amount not less than HK\$10.00 per Class A Shares, plus any pro rata interest then in the Escrow Account, net of taxes payable. Both the Listed Warrants and Promoter Warrants have no redemption right.

Under the Listing Rules, at the time of the Company's entry into a binding agreement for a De-SPAC Transaction, a De-SPAC Target must have a fair market value representing at least 80% of the funds raised by the Company from the Listing (prior to any redemptions). If less than 100% of the equity interests or assets of a De-SPAC Target is acquired by the Company, the portion of such De-SPAC Target that is acquired will be taken into account for the purposes of the 80% of proceeds test described above, provided that in the event that the De-SPAC Transaction involves more than one De-SPAC Target, the 80% of proceeds test will be applied to each of the De-SPAC Targets being acquired. However, the Company will only complete a De-SPAC Transaction if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the De-SPAC Target. There is no assurance that the Company will be able to successfully effect a De-SPAC Transaction.

The Company has only 30 months from the Listing Date (the "**De-SPAC Period**") to complete the De-SPAC Transaction. If the Company is unable to complete the De-SPAC Transaction within the De-SPAC Period (or within the extension period, if any), the Company will:

- (i) cease all operations except for the purpose of winding up of the Company;
- (ii) suspend the trading of the Class A Shares and Listed Warrants, and as promptly as reasonably possible but no more than one month thereafter, distribute the amounts held in the Escrow Account to the Class A Shareholders on a pro rata basis, provided that the amount per Class A Share must be not less than HK\$10.00; and
- (iii) liquidate and dissolve, subject in the case of clause (ii), to the Company's obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable laws.

There will be no redemption rights or liquidating distributions with respect to the Listed Warrants and Promoter Warrants, which will expire worthless if the Company fails to complete its De-SPAC Transaction within the De-SPAC Period, or if the Company fails to obtain the requisite approvals in respect of the continuation of the Company following a material change referred to in Rule 18B.32 of the Listing Rules, or in any of joint largest promoters who, together with their close associates (including their respective Promoters SPVs), hold an equal number of Class B Shares.

The Joint Promoters have agreed to waive their rights to liquidating distributions from the Escrow Account with respect to their Class B Shares in all circumstances.

The underwriters have agreed to waive their rights to their deferred underwriting commission payable upon the completion of a De-SPAC Transaction in the event that (i) the Company does not announce a De-SPAC Transaction within 18 months of the Listing Date or is unable to complete the De-SPAC Transaction within 30 months of the Listing Date (or within the extension period (if any)), or (ii) the Company fails to obtain the requisite approvals in respect of the continuation of the Company following a material change referred to in Rule 18B.32 of the Listing Rules, or in any of joint largest promoters who, together with their close associates (including their respective Promoters SPVs), hold an equal number of Class B Shares.

## 2. BASIS OF PREPARATION AND PRESENTATION

### (a) Basis of preparation and statement of compliance

The unaudited condensed interim financial statements (the “**Interim Financial Statements**”) for the six months ended 30 June 2023 have been prepared in accordance with the applicable disclosures required by the Listing Rules and International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”, issued by the International Accounting Standards Board (“**IASB**”). The Interim Financial Statements should be read in conjunction with the annual financial statements for the period from 20 January 2022 (date of incorporation) to 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The accounting policies applied and the significant judgements made by the management are consistent with those described in the annual financial statements for the period from 20 January 2022 (date of incorporation) to 31 December 2022, except for the adoption of amendments to IFRSs effective for the accounting period beginning on 1 January 2023.

### (b) Application of amendments to IFRSs

In the current period, the Company has adopted all the new and revised IFRSs issued by the IASB that are relevant to its operations and effective for the accounting period beginning on 1 January 2023. The adoption of these new and revised IFRSs did not result in significant changes to the Company’s accounting policies, presentation of the Company’s financial statements and amounts reported for the current period.

The Company has not applied the new IFRSs that have been issued but are not yet effective. The Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on its financial position and performance.

### (c) Going concern basis

As at 30 June 2023, the Company had HK\$20,327,000 in cash and net current liabilities and net liabilities of HK\$1,044,704,000 and HK\$43,704,000 respectively. The Company incurred loss of HK\$40,878,000 and net cash used in operating activities of HK\$7,080,000 and expects to continue to incur significant costs in pursuit of effecting the De-SPAC Transaction, and the Company’s cash and working capital as of 30 June 2023 are not sufficient for this purpose. Management plans to address this through the loan facility that was provided by the Joint Promoters. Based on a working capital forecast prepared by the management for 18 months after the end of the reporting period, the Company would have sufficient financial resources to identify the suitable De-SPAC Target. However, the completion of the De-SPAC Transaction substantially depends upon the ability and insight of the Joint Promoters to identify the suitable target for the De-SPAC Transaction, successfully negotiate the completion of the De-SPAC Transaction and obtain the approval from the Stock Exchange. There is no assurance that the Company could consummate the De-SPAC Transaction within the De-SPAC Period as detailed in note 1 to the Interim Financial Statements.

These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets or discharge its liabilities in the normal course of business. Nevertheless, the Interim Financial Statements are prepared on the basis that the Company will continue as a going concern. These Interim Financial Statements do not include any adjustments that would have to be made to provide for any further liabilities which might arise should the Company be unable to continue as a going concern.

**(d) Functional and presentation currency**

The Interim Financial Statements are presented in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company and all amounts are rounded to the nearest thousand (“**HK\$’000**”) except otherwise indicated.

**3. BASIS OF ACCOUNTING**

The financial statements have been prepared on historical cost except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

A fair-value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 4. REVENUE AND OTHER INCOME AND LOSS

##### (a) Revenue

The Company did not generate any revenue during the six months ended 30 June 2023 (period from 20 January 2022 (date of incorporation) to 30 June 2022: Nil).

##### (b) Other income and loss

	<b>For the six months ended 30 June 2023 HK\$'000 (Unaudited)</b>	For the period from 20 January 2022 (date of incorporation) to 30 June 2022 HK\$'000 (Unaudited)
Bank interest income	19,406	110
Exchange loss, net	(19)	(28)
	<u>19,387</u>	<u>82</u>

#### 5. LOSS BEFORE INCOME TAX EXPENSE

	<b>For the six months ended 30 June 2023 HK\$'000 (Unaudited)</b>	For the period from 20 January 2022 (date of incorporation) to 30 June 2022 HK\$'000 (Unaudited)
Loss before income tax expense is arrived at after charging:		
Auditor's remuneration	100	100
Staff costs:		
Share-based payment expenses ( <i>note 13</i> )	54,180	5,341
Directors' remuneration	313	36
	<u>54,493</u>	<u>5,377</u>



## **6. INCOME TAX EXPENSE**

No provision for income tax has been made as the Company had no assessable profits for the six months ended 30 June 2023 (period from 20 January 2022 (date of incorporation) to 30 June 2022: Nil).

The Company did not have material unrecognised deferred tax during the period or at the end of the reporting period.

## **7. LOSS PER SHARE**

The basic loss per share was calculated by dividing the loss for the period of approximately HK\$40,878,000 (period from 20 January 2022 (date of incorporation) to 30 June 2022: HK\$96,944,000), by the weighted average number of 25,025,000 (period from 20 January 2022 (date of incorporation) to 30 June 2022: 21,916,304) ordinary shares outstanding during the period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2023, the redeemable Class A Shares, Listed Warrants and Promoter Warrants outstanding were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share is the same as the basic loss per share for the period.

## **8. DIVIDEND**

No dividend was paid or proposed during the six months ended 30 June 2023 (period from 20 January 2022 (date of incorporation) to 30 June 2022: Nil), nor any dividend has been proposed since the end of the reporting period.

## **9. RESTRICTED BANK DEPOSITS**

Restricted bank deposits consist of the gross proceeds of HK\$1,001,000,000 (31 December 2022: HK\$1,001,000,000) from the Listing which are deposited in a ring-fenced Escrow Account domiciled in Hong Kong. The proceeds held in the Escrow Account are held in the form of cash or cash equivalents. The completion of the De-SPAC Transaction within the next 12 months is uncertain and therefore the proceeds deposited in the Escrow Account have been classified as non-current assets.

## **10. ACCRUALS AND OTHER PAYABLE**

Accruals and other payable mainly comprise deferred underwriting commission of approximately HK\$35,035,000 as at 30 June 2023 and 31 December 2022, which would be payable upon completion of the De-SPAC Transaction.

## 11. FINANCIAL LIABILITIES

The Company issued 100,100,000 Class A Shares together with 50,050,000 Listed Warrants for an aggregate price of HK\$10 per share on 9 June 2022. The Company has 100,100,000 Class A Shares and 50,050,000 Listed Warrants issued and outstanding as at 30 June 2023 and 31 December 2022.

### (a) Redeemable Class A Shares

The carrying amounts of the redeemable Class A Shares are as follows:

	<b>As at 30 June 2023 HK\$'000 (Unaudited)</b>	As at 31 December 2022 HK\$'000 (Audited)
Redeemable Class A Shares	<b>1,001,000</b>	1,001,000

### (b) Warrant liabilities

Each Listed Warrant entitles its holder to subscribe for one Class A Share at an exercise price of HK\$11.50. Redemption threshold price of HK\$18.00 and fair value market cap of HK\$23.00 have been applied on the Listed Warrants. The Listed Warrants are only exercisable on a cashless basis, subject to customary anti-dilution adjustments.

Listed Warrants will become exercisable 30 days after the completion of the De-SPAC Transaction. Listed Warrants expire five years from the date of the De-SPAC Transaction, or earlier upon redemption or liquidation. The Company may redeem Listed Warrants upon at least 30 days' notice at a redemption price of HK\$0.01 per Listed Warrant if the closing price of the Class A Shares equals to or exceeds HK\$18.00 for any 20 out of the 30 consecutive trading days ending on the third trading day immediately prior to the date on which the notice of redemption is sent. Holders of Listed Warrant may exercise them after the redemption notice is given. A warrant holder has no right to participate in any distributions and/or offer of further securities made by the Company.

The fair value of the warrant liabilities which was based on its quoted market price at the end of the reporting period are as follows:

	<b>As at 30 June 2023 Level 1 HK\$'000 (Unaudited)</b>	As at 31 December 2022 Level 1 HK\$'000 (Audited)
Warrant liabilities	<b>30,030</b>	30,030

There were no transfers between levels for the six months ended 30 June 2023.

## 12. SHARE CAPITAL

### (a) Share capital

	Number of shares	Nominal amount <i>HK\$'000</i>
Authorised:		
As at 31 December 2022 (audited) and 30 June 2023 (unaudited)		
Class A Shares of HK\$0.0001 each ( <i>note 11</i> )	1,000,000,000	100
Class B Shares of HK\$0.0001 each	<u>100,000,000</u>	<u>10</u>
	<u>1,100,000,000</u>	<u>110</u>
Class B Share Issued and fully paid:		
As at 31 December 2022 (audited) and 30 June 2023 (unaudited)	<u>25,025,000</u>	<u>3</u>

### (b) Capital management

The Company's capital management objectives are to monitor its expenses on an ongoing basis and endeavor to keep the costs within the Company's primary sources of liquidity (i.e. the proceeds from the sale of Class B Shares) and to maintain sufficient financial resources to identify the suitable De-SPAC Target. The primary sources of liquidity to satisfy the capital requirements prior to the completion of the De-SPAC Transaction, and the funds from these sources will be held outside the Escrow Account consisted of proceeds from the sale of the Class B Shares and the Promoter Warrants; and the loan facility from the Promoters, which can be drawn down to finance the expenses if the proceeds from the sale of the Class B Shares and the Promoter Warrants and the interest and other income from funds held in the Escrow Account are insufficient.

The Company will negotiate coverage of due diligence and transaction expenses relating to a successful De-SPAC Transaction with the confirmed De-SPAC Target. The Company expects that such expenses will be borne by the Successor Company from its own capital resources (including readily available cash) and the proceeds of the third-party investment required by the Listing Rules.

### 13. SHARE-BASED PAYMENT

Upon the Listing, the Company has issued 25,025,000 of Class B Shares and 35,000,000 of Promoter Warrants at the aggregated subscription price of HK\$195,000 and HK\$35,000,000 respectively. The conversion right in the Class B Shares and Promoter Warrants are classified as share-based payment in accordance with the Company's accounting policies.

The difference between the fair value of the conversion right of the Class B Shares and the Promoter Warrants and the subscription price paid by the Joint Promoters are expensed on a straight-line basis over the vesting period. The directors of the Company identified the completion of a De-SPAC Transaction as the vesting condition.

#### Valuation of share-based payment

Equity-settled share-based payment expenses from the conversion right of the Class B Shares and Promoter Warrants of approximately HK\$49,353,000 and HK\$4,827,000 respectively were recognised during the period (period from 20 January 2022 (date of incorporation) to 30 June 2022: HK\$4,935,000 and HK\$406,000 respectively).

The Company determined the fair value of conversion right in the Class B Shares and Promoter Warrants on the grant date based on valuation performed by Avista Valuation Advisory Limited, an independent valuation firm.

#### (a) Conversion Right in the Class B Shares

Movements of the number of conversion right in the Class B Shares outstanding during the period are as follows:

	<b>Number of conversion right in the Class B Shares</b>
Granted on 10 June 2022 and outstanding as at 31 December 2022 (audited) and 30 June 2023 (unaudited)	<u>25,025,000</u>

The fair value of the conversion right in each of the Class B Share was estimated to be HK\$10.0, which was determined based on the unit issue price of the Class A Share at HK\$10.0 each. The valuation has taken into consideration that Class B Shares are convertible into Class A Shares on a one-for-one basis at or following the completion of the De-SPAC Transaction.

**(b) Promoter Warrants**

Movements of the number of Promoter Warrants outstanding during the period are as follows:

	<b>Number of Promoter Warrants (Unaudited)</b>
Granted on 10 June 2022 and outstanding as at 31 December 2022 (audited) and 30 June 2023 (unaudited)	<u>35,000,000</u>
Exercisable as at 31 December 2022 (audited) and 30 June 2023 (unaudited)	<u>–</u>

The Promoter Warrants outstanding at 30 June 2023 had an weighted average exercise price of HK\$11.5 (31 December 2022: HK\$11.5) and a weighted average remaining contractual life of 1.4 years (31 December 2022: 1.9 years).

The fair value was estimated as HK\$1.6987 per Promoter Warrant based on Monte Carlo simulation model. Under the valuation model, multiple scenarios were used to arrive a probability-weighted value per Promoter Warrant. The key inputs into the valuation model were as follows:

<b>Key inputs</b>	<b>Ranged between</b>
Expected De-SPAC date	December 2022–December 2023
Expected term	5 years
Exercise price	HK\$11.50
Redemption threshold price	HK\$18.00
Fair market value cap	HK\$23.00
Expected volatility	21.78%–23.43%
Risk-free rate	2.63%–2.69%
Dividend yield	0%

A Monte Carlo simulation model is often used when modeling systems with a large number of inputs and where there is significant uncertainty in the future value of inputs and where the movement of the inputs can be independent of each other. In view of the complicated features of the Promoter Warrants, the directors of the Company consider that the application of Monte Carlo simulation model is reasonable.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Company is a special purpose acquisition company, or SPAC, formed to effect a business combination with one or more businesses. The Class A Shares and Listed Warrants were listed on the Main Board of the Stock Exchange on 10 June 2022, and the offering of the Class A Shares and Listed Warrants raised gross proceeds of HK\$1,001.0 million.

During the Relevant Period, the Company did not enter into any revenue generating transactions. The Company reported loss and total comprehensive loss for the period of approximately HK\$40.9 million during the Relevant Period, which was mainly attributable to the share-based payment expenses.

### **De-SPAC Transaction**

While the Company may pursue a business combination target in any business, industry or geographical region, in addition to the general characteristics for evaluating prospective targets and the quality of De-SPAC Target mentioned below, it intends to focus on high-quality companies in China that (i) specialize in smart car technologies, or (ii) possess supply chain and cross-border ecommerce capabilities that position them to benefit from domestic consumption upgrading trends.

The Company has taken into account the following business strategies and developed the following general characteristics for evaluating prospective De-SPAC Targets: (i) proven market leaders; (ii) possess competitive product or service offerings with market potential; (iii) solid financials underlying reasonable valuations; (iv) ethical, professional and visionary executives and senior management ready to undertake financial reporting and corporate governance obligations under the Listing Rules; and (v) consumer or smart car technology companies with the ability to leverage and benefit from the Company's expertise and experience, a public profile and increased access to capital. These criteria are not exhaustive, and any evaluation relating to the merits of a particular initial business combination may be based, to the extent relevant, on these general guidelines as well as other considerations, factors and criteria that the management team may deem relevant.

During the Relevant Period and as at the date of this announcement, the Company, for the purpose of completing the De-SPAC Transaction, has not identified a suitable De-SPAC Target which is in line with the Company's business strategy and commercial feasibility and the deployed characteristics, factors and criteria that the Company's management team considered to be relevant and important. The Company, as of the date of this announcement, has therefore not entered into any binding agreement with respect to a potential De-SPAC Transaction. The Company undertakes to announce and complete the De-SPAC Transaction within a shorter timeframe as stipulated in the Listing Rules (i.e. within 18 months and 30 months of the Listing Date, respectively), and if the Company is not able to meet these deadlines, it will seek approval from the Shareholders and the Stock Exchange for an extension of these deadlines.

Please refer to the section headed "The De-SPAC Transaction" of the Offering Document for details.

### **Escrow Account**

The Escrow Account is operated by the Trustee, which is a qualified trustee under the requirements of Chapter 4 of the Code on Unit Trusts and Mutual Funds issued by the SFC. Pursuant to the Trust Deed, the monies held in the Escrow Account are held on trust for the Company and the Class A Shareholders and must not be released to any person other than to:

- (a) meet redemption requests of holders of Class A Shares in accordance with Rule 18B.59 of the Listing Rules;
- (b) complete a De-SPAC Transaction;
- (c) return funds to Class A Shareholders within one month of a suspension of trading imposed by the Stock Exchange if the Company (1) fails to obtain the requisite approvals in respect of the continuation of the Company following a material change referred to in Rule 18B.32 of the Listing Rules, or in any of the joint largest promoters who, together with their close associates, hold an equal number of Class B Shares; or (2) fails to meet any of the deadlines (extended or otherwise) to (i) publish an announcement of the terms of a De-SPAC Transaction within 18 months of the Listing Date, or (ii) complete a De-SPAC Transaction within 30 months of the Listing Date; or
- (d) return funds to the Class A Shareholders upon the liquidation or winding up of the Company.

Upon completion of the De-SPAC Transaction, the funds held in the Escrow Account will be released and used to pay (in order of priority), amounts due to Class A Shareholders who exercise their redemption rights, all or a portion of the consideration payable to the De-SPAC Target or owners of the De-SPAC Target, any loans drawn under the Loan Facility, and other expenses associated with completing the De-SPAC Transaction. Please refer to the section headed “Use of Proceeds and Escrow Account — Escrow Account” of the Offering Document for details.

## **OUTLOOK**

As one of the handful of publicly listed SPACs in Hong Kong and in line with the status as a listed company and business strategy, the Company aims to generate attractive returns for the Shareholders by selecting high-quality De-SPAC Target(s), negotiating favourable acquisition terms at an attractive valuation, and creating the foundation to improve the operating and financial performance of the Successor Company.

As we move into the latter half of 2023, there is an expected gradual improvement in the global economy following the pandemic. However, uncertainties still prevail due to the adverse impact of the current high market interest rate environment. The Company anticipates that the global equity market will face unprecedented challenges and remain unpredictable. There may be an upward adjustment of benchmark interest rates by the US Federal Reserve in the second half of 2023, which could curb inflation. China, on the other hand, remains resilient under such uncertain economic times and possesses immense potential for success and growth, making it a highly attractive region for significant investments. The Company will closely monitor the development of the global economic and market conditions, continue to explore potential De-SPAC Targets cautiously with prudent risk management and internal control measures, assess the impact of the economy on the operational and financial performance of the possible De-SPAC Targets, so as to maximize returns for the Shareholders.

The Company will continue to search for potential De-SPAC Targets, and expects to attract opportunities on account of the reputation and track record of the Promoters, the Directors and the senior management of the Company. The Company anticipates that potential De-SPAC Targets will be identified by various affiliated and unaffiliated sources. Such sources include the Promoters, the Directors and the senior management of the Company, investment bankers and private investment funds. The Company will conduct thorough due diligence review for the introduced potential De-SPAC Targets. If the Company decides to further pursue after a particular De-SPAC Target subsequent to the due diligence review, further negotiations will be conducted to structure the terms of the De-SPAC Transaction. The Company may also facilitate the De-SPAC Transaction by utilizing the professional services of our Promoters’ affiliates, and expect to compensate them based on market standard and on arms’ length terms.



In evaluating potential De-SPAC Targets and in negotiating and executing a De-SPAC Transaction, the Company expects to incur significant costs. The Company intends to consummate the De-SPAC Transaction using (i) proceeds of the Offering; (ii) proceeds from the issuance of the Class B Shares and the Promoter Warrants; (iii) proceeds from independent third party investments; (iv) funds from any backstop agreements it may enter into; (v) loans from the Promoters or their affiliates, if any, under the Loan Facility or other arrangements; (vi) shares issued to the owners of the De-SPAC Target; and (vii) any other equity or debt financing, or a combination of the foregoing.

As required under the Listing Rules, the terms of a De-SPAC Transaction must include investment in the shares of the Successor Company by third party investors who (a) are Professional Investors and (b) meet certain independence requirements as stipulated in the Listing Rules. Such investment must include significant investment from sophisticated investors (as defined by the Stock Exchange from time to time). The Listing Rules also require that the investments made by the independent third party investors in the De-SPAC Transaction must result in their beneficial ownership of the listed shares in the Successor Company, and while obtaining such independent third party investments, the Company will be required to issue additional securities. The Company will continue to locate and obtain investment from independent third party investors for the De-SPAC Transaction.

The Company may also have to obtain additional financing to complete the De-SPAC Transaction, either because the transaction requires more cash than is available from the proceeds held in the Escrow Account and from independent third party investments or that the Company becomes obligated to redeem a significant number of the Class A Shares upon completion of the De-SPAC Transaction, in which case the Company may issue additional securities or incur extra debts in connection with the De-SPAC Transaction.

## **FINANCIAL REVIEW**

The Company reported loss and total comprehensive loss of approximately HK\$40.9 million during the Relevant Period, which was mainly attributable to the share-based payment expenses.

The non-current assets of the Company as at 30 June 2023 were approximately HK\$1,001.0 million, which was entirely attributable to the proceeds received from the Offering held in the Escrow Account. The current assets of the Company as at 30 June 2023 were approximately HK\$21.7 million, which consisted of approximately HK\$20.3 million of cash and cash equivalents.

During the Relevant Period, the Company incurred administrative expenses of approximately HK\$60.3 million, which was mainly attributable to the expenses relating to the share-based payment expenses.

The Company has not commenced any operations and did not generate any revenue since 20 January 2022, its date of incorporation. All activities from the date of incorporation of the Company are related to the Company's formation, the Listing as well as De-SPAC Transaction. The Company is not expected to generate any operating revenue until after the completion of the De-SPAC Transaction, at the earliest. The Company will generate non-operating income in the form of interest income on cash and cash equivalents from the proceeds of the Offering.

### **Liquidity and Financial Resources**

Upon the Listing, the Company received gross proceeds of HK\$1,001.0 million from the Offering. The investors of the Offering comprise 94 Professional Investors, out of whom 24 are institutional Professional Investors and such institutional Professional Investors held approximately 75.7% of the Class A Shares and the Listed Warrants, respectively, upon completion of the Offering.

The Company has been monitoring its expenses on an ongoing basis and endeavors to keep the costs within the Company's primary sources of liquidity other than the funds deposited in the Escrow Account, including the proceeds from the sale of Class B Shares and the Promoter Warrants and the Loan Facility. By leveraging the business insights, investment advisory experience, deal sourcing and execution expertise of the Promoters, Directors and senior management of the Company, the Company believes that it is well positioned to manage the operating expenses when conducting negotiations and performing due diligence review on potential De-SPAC Targets.

Prior to the completion of the De-SPAC Transaction, the following primary sources of liquidity will be utilized to satisfy the Company's capital requirements and the funds from these sources will be held outside the Escrow Account:

- approximately HK\$35.2 million in proceeds from the issuance of the Class B Shares and the Promoter Warrants; and
- the Loan Facility (if the proceeds from the issuance of the Class B Shares and the Promoter Warrants described above and the interest and other income from the funds held in the Escrow Account are insufficient).

With the amount of liquid assets on hand which are held outside the Escrow Account, the Company is of the view that it has sufficient financial resources to meet its ongoing capital requirements prior to the completion of the De-SPAC Transaction.

Due to the Company's business nature, there is no ageing analysis of accounts receivable and accounts payable.

## **Indebtedness**

During the Relevant Period, the Company incurred no indebtedness. The Loan Facility provides the Company with a working capital credit line of up to HK\$10.0 million that it may draw upon if required. Any loans drawn under the Loan Facility will not bear any interest and will not be held in the Escrow Account. No amount had been drawn from the Loan Facility during the Relevant Period.

## **Gearing Ratio**

As the shareholder's equity attributable to owners of the Company was a deficiency of approximately HK\$40,878,000, the calculation of gearing ratio as at 30 June 2023 was not applicable.

## **Capital Structure**

The capital of the Company comprises 100,100,000 Class A Shares and 25,025,000 Class B Shares, and 50,050,000 Listed Warrants and 35,000,000 Promoter Warrants.

The Class B Shares are identical to the Class A Shares, except that (i) holders of Class B Shares have the specific right to appoint Directors to the Board prior to the completion of the De-SPAC Transaction; (ii) the Class B Shares are convertible into an aggregate of 25,025,000 Class A Shares on a one-for-one basis at or following the completion of the De-SPAC Transaction, subject to customary anti-dilution adjustments; and (iii) the Class B Shares are not traded on the Stock Exchange and the Promoters must remain as beneficial owners of the Class B Shares except in the very limited circumstances permitted by the Listing Rules and subject to compliance with those requirements.

Each Listed Warrant and Promoter Warrant is exercisable for one Class A Share at an exercise price of HK\$11.50. The Listed Warrants and Promoter Warrants (i) will become exercisable 30 days after the completion of the De-SPAC Transaction; (ii) are only exercisable when the average reported closing price of the Class A Shares for the ten trading days immediately prior to the date on which the notice of exercise is received by the Hong Kong share registrar is at least HK\$11.50 per Class A Share; and (iii) are only exercisable on a cashless basis and subject to adjustment. The Listed Warrants and Promoter 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 redemption in accordance with the terms described in the Offering Document or liquidation. If the Company does not announce a De-SPAC Transaction within 18 months of the Listing Date (or within the extended time limits) or complete the De-SPAC Transaction within 30 months of the Listing Date (or within the extended time limits), the Listed Warrants and Promoter Warrants will expire worthless.

For details of the Company's securities, please refer to the section headed "Description of the Securities" of the Offering Document.

### **Material Acquisitions and Disposals**

During the Relevant Period, the Company did not make any material acquisition or disposal of subsidiaries, associates and joint ventures.

### **Significant Investments**

The Company did not hold any significant investments as at 30 June 2023.

### **Pledge of Assets**

As at 30 June 2023, the Company did not pledge any assets.

### **Future Plans for Material Investments or Capital Assets**

As at 30 June 2023, save as identifying the potential De-SPAC Target for the purpose of completing the De-SPAC Transaction, the Company did not have any concrete plans for making other material investments or capital assets.

During the Relevant Period and as at the date of this announcement, the Company, for the purpose of completing the De-SPAC Transaction, has not identified a suitable De-SPAC Target which is in line with the Company's business strategy and commercial feasibility and the deployed characteristics, factors and criteria that the Company's management team considered to be relevant and important. The Company, as of the date of this announcement, has therefore not entered into any binding agreement with respect to a potential De-SPAC Transaction. The Company undertakes to announce and complete the De-SPAC Transaction within a shorter timeframe as stipulated in the Listing Rules (i.e. within 18 months and 30 months of the Listing Date, respectively), and if the Company is not able to meet these deadlines, it will seek approval from the Shareholders and the Stock Exchange for an extension of these deadlines.

### **Employees and Remuneration Policy**

As at 30 June 2023, the Company had no employees. The executive Directors and non-executive Directors are not entitled to any remuneration from the Company. The remuneration package of the independent non-executive Directors is benchmarked against the remuneration for similar positions in the market.

## **Charges on Assets**

As at 30 June 2023, no charges had been created on the Company's assets.

## **Foreign Currency Exposure**

The Company's business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Company denominated in the currencies other than the respective functional currencies of the Company's entities.

## **Contingent Liabilities**

As at 30 June 2023, the Company did not have any contingent liabilities.

## **OTHER INFORMATION**

### **Interim Dividend**

The Company has not adopted a dividend policy. The Company will not pay any dividends prior to the completion of the De-SPAC Transaction. Hence, no interim dividend was proposed by the Board for the Relevant Period. Please refer to the section headed "Financial Information — Dividend" of the Offering Document for details.

### **Corporate Governance**

The Board strives to uphold the principles of corporate governance set out in the CG Code, and will continue to review and improve the quality of corporate governance practices with reference to local and international standards.

During the Relevant Period, the Company complied with the applicable code provisions as set out in Part 2 of the CG Code.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code as its own code governing securities transactions of the Directors. Further, pursuant to the Listing Rules, the Company and the Promoters and their respective directors and employees, and each of their close associates, are prohibited from dealing in any of the listed securities of the Company (including the Class A Shares and Listed Warrants) prior to the completion of a De-SPAC Transaction.

Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the Relevant Period.

### **Review of Interim Financial Information**

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed with the management of the Company on financial reporting matters including a review of the unaudited interim financial information of the Company for the Relevant Period. The interim results for the Relevant Period have not been reviewed and audited by the auditors of the Company.

### **Sufficiency of Public Float**

According to the information disclosed publicly and as far as the Directors are aware, during the Relevant Period, the Company maintained the amount of public float as required under the Listing Rules.

### **Events After the Relevant Period**

The Company did not have any material event after the Relevant Period and up to the date of approving this interim results announcement.

### **Purchases, Sale or Redemption of the Company's Listed Securities**

During the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

### **Use of Proceeds from the Offering**

The Company received gross proceeds (after deduction of underwriting commissions and related costs and expenses) from the Offering of approximately HK\$1,001.0 million. The gross proceeds from the Offering were held in the Escrow Account in the form of cash or cash equivalents in compliance with the Listing Rules and guidance letters published by the Stock Exchange. There has been no change in the intended use of gross proceeds as previously disclosed in the Offering Document. For the avoidance of doubt, the proceeds from the Offering held in the Escrow Account do not include the proceeds from the sale of Class B Shares and the Promoter Warrants.

Upon the completion of the De-SPAC Transaction within 30 months of the Listing Date, the funds held in the Escrow Account will be released and used to pay (in order of priority), amounts due to Class A Shareholders who exercise their redemption rights, all or a portion of the consideration payable to the De-SPAC Target or owners of the De-SPAC Target, any loans drawn under the Loan Facility, and other expenses associated

with completing the De-SPAC Transaction. Any interest, or other income earned, on monies held in the Escrow Account may be used by the Company to settle its expenses and taxes, if any, provided that the funds held in the Escrow Account would not be reduced to an amount below what is necessary to meet redemption requests by Class A Shareholders. Details of the use of proceeds are set out in the section headed “Use of Proceeds and Escrow Account” in the Offering Document.

### **Publication of the Interim Results and Interim Report**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.visiondeal.hk](http://www.visiondeal.hk)). The interim report for the Relevant Period containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the respective websites of the Stock Exchange and the Company in due course.

### **Forward-Looking Statements**

This announcement contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company’s control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Class A Share(s)”	Class A ordinary shares in the share capital of the Company with a par value of HK\$0.0001 each and, after the De-SPAC Transaction, the Class A ordinary shares of the Successor Company or such other ordinary shares of the Successor Company that the Class A Shares convert into or are exchanged for

“Class B Share(s)”	Class B ordinary shares in the share capital of the Company with a par value of HK\$0.0001 each
“Company”	Vision Deal HK Acquisition Corp., an exempted company incorporated under the laws of the Cayman Islands with limited liability on 20 January 2022
“DealGlobe”	DealGlobe Limited, a company incorporated in the United Kingdom on 12 December 2013 with limited liability, an entity authorized and regulated by the Financial Conduct Authority to conduct corporate finance business in the United Kingdom and one of the Promoters
“De-SPAC Target(s)”	the target(s) of a De-SPAC Transaction
“De-SPAC Transaction”	an acquisition of, or a business combination with, a De-SPAC Target by the Company that results in the listing of a Successor Company
“Director(s)”	the director(s) of the Company
“Escrow Account”	the ring-fenced escrow account located in Hong Kong with the Trustee acting as trustee of such account
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listed Warrants”	subscription warrants issued to investors of the Class A Shares which upon exercise entitles the holder to subscribe for one Class A Share per Listed Warrant at HK\$11.50 per Class A Share
“Listing”	the listing of the Class A Shares and the Listed Warrants on the Main Board of the Stock Exchange
“Listing Date”	10 June 2022, the date on which the Class A Shares and the Listed Warrants are listed and dealings in the Class A Shares and the Listed Warrants first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“Loan Facility”	the HK\$10.0 million unsecured loan facility in relation to the loan agreement dated 2 June 2022 entered into by the Company and the Promoters
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Wei”	Mr. Zhe Wei (衛哲), one of the Promoters, chairman of the Board and an executive Director
“Offer Securities”	the Class A Shares and the Listed Warrants offered pursuant to the Offering
“Offering”	the offer of the Offer Securities by the Company to Professional Investors as described in the Offering Document
“Offering Document”	the offering document of the Company dated 6 June 2022 in relation to the Offering and the Listing
“Opus Capital”	Opus Capital Limited, a company incorporated in Hong Kong on 9 January 2014 with limited liability, a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO and one of the Promoters
“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement only, except where the context requires, references in this document to the PRC or China exclude Hong Kong, Macau and Taiwan
“Professional Investors”	has the meaning given to it in section 1 of Part 1 of Schedule 1 to the SFO
“Promoter Warrants”	subscription warrants issued to the Promoters at the issue price of HK\$1.00 per Promoter Warrant which upon exercise entitles the holder to subscribe for one Class A Share per Promoter Warrant at HK\$11.50 per Class A Share
“Promoters”	Mr. Wei, DealGlobe and Opus Capital
“Relevant Period”	the six months ended 30 June 2023
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	Class A Shares and Class B Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules, unless the context otherwise requires
“Successor Company”	the company which is listed on the Stock Exchange upon the completion of a De-SPAC Transaction
“Trust Deed”	the Deed of Trust dated 2 June 2022 entered into between the Company and CCB (Asia) Trustee Company Limited relating to the establishment and operation of the Escrow Account
“Trustee”	an independent trustee of the Escrow Account
“%”	per cent

By order of the Board  
**Vision Deal HK Acquisition Corp.**  
**Mr. Zhe WEI**  
*Chairman and Executive Director*

Hong Kong, 25 August 2023

*As at the date of this announcement, the board of directors of the Company comprises Mr. Zhe WEI (chairman), Mr. Lin FENG (chief executive officer) and Mr. Lishu LOU (chief strategy officer) as the executive Directors, Mr. Juan Christian GRAF THUN-HOHENSTEIN, Mr. Shu Fun Francis Alvin LAI and Mr. Wai Hung CHEUNG as the non-executive Directors, and Mr. Michael WARD, Mr. Shengwen RONG, Dr. Weiru CHEN and Dr. Shirley Ze YU as the independent non-executive Directors.*