VISION DEAL HK ACQUISITION CORP.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 7827

Warrant Code: 4827

2022

INTERIM

REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Zhe Wei (衛哲) *(Chairman)*
Mr. Lin Feng (馮林) *(Chief Executive Officer)*
Mr. Lishu Lou (樓立樞)
(Chief Strategy Officer)

NON-EXECUTIVE DIRECTORS

Mr. Juan Christian Graf Thun-Hohenstein
Mr. Shu Fun Francis Alvin Lai (黎樹勳)
Mr. Wai Hung Cheung (張偉雄)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Michael Ward
Mr. Shengwen Rong (戎勝文)
Dr. Weiru Chen (陳威如)
Dr. Shirley Ze Yu (于澤)

AUDIT COMMITTEE

Mr. Shengwen Rong (戎勝文) *(Chairman)*
Mr. Michael Ward
Dr. Weiru Chen (陳威如)

REMUNERATION COMMITTEE

Dr. Shirley Ze Yu (于澤) *(Chairwoman)*
Mr. Lin Feng (馮林)
Dr. Weiru Chen (陳威如)

NOMINATION COMMITTEE

Mr. Zhe Wei (衛哲) *(Chairman)*
Dr. Shirley Ze Yu (于澤)
Mr. Michael Ward

PROMOTERS

Mr. Zhe Wei (衛哲)
DealGlobe Limited
Opus Capital Limited

COMPANY SECRETARY

Ms. Sze Ting Chan (陳詩婷) *(ACG, HKACG)*

AUTHORISED REPRESENTATIVES

Mr. Lin Feng (馮林)
Ms. Sze Ting Chan (陳詩婷)

REGISTERED OFFICE

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TRUSTEE OF THE ESCROW ACCOUNT

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Central, Hong Kong

AUDITOR

BDO Limited
(Certified Public Accountants and Registered Public Interest Entity Auditor)
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Hong Kong

HONG KONG LEGAL ADVISER

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CAYMAN ISLANDS LEGAL ADVISER

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Central, Hong Kong

Red Sun Capital Limited
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Shun Tak Centre
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Hong Kong

PRINCIPAL SHARE REGISTRAR

Appleby Global Services (Cayman) Limited
71 Fort Street, George Town
Grand Cayman
Cayman Islands
KY1-1106

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
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WEBSITE

www.visiondeal.hk

STOCK CODE

7827

WARRANT CODE

4827

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to announce the unaudited interim results of the Company for the period from 20 January 2022 (the Company's date of incorporation) to 30 June 2022. The unaudited interim results have been reviewed by the Audit Committee.

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$96.9 million during the Relevant Period, which was mainly attributable to the listing expenses, amortisation of transaction costs on redeemable Class A Shares and change in fair value of warrant liabilities.

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 interim report, the Company has not identified any specific De-SPAC Target and the Company has not, nor has anyone on our behalf, engaged in any substantive discussions with any De-SPAC Target with respect to a De-SPAC Transaction. Furthermore, as of the date of this interim report, the Company has 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.

BUSINESS REVIEW (Cont'd)

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.

Recently, the resurgence in COVID-19 infections affected the border reopening of mainland China and Hong Kong, and the PRC government has imposed various measures to contain the spread. The Company is closely monitoring the development of COVID-19 in China. The Company expects the global equity market to be full of uncertainties and unprecedented challenges in the near future. The Federal Reserve System began to impose interest rate hikes since March 2022 and together with the tightened monetary policy, it will be more difficult for the global economy to recover. The worsened geo-political risks brought by the Russian-Ukrainian war, unstable political situation along the Taiwan strait, coupled with the wrestling between China and the United States in technology and financial sectors also caused the equity market to fluctuate. 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.

OUTLOOK (Cont'd)

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 for the period of approximately HK$96.9 million during the Relevant Period, which was mainly attributable to the listing expenses, amortisation of transaction costs on transaction costs on redeemable Class A Shares and change in fair value of warrant liabilities.

The non-current assets of the Company as at 30 June 2022 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 2022 were approximately HK$12.0 million which consisted of approximately HK$11.9 million of cash and cash equivalents.

During the Relevant Period, the Company incurred listing expenses of approximately HK$4.0 million and administrative expenses of approximately HK$5.9 million, which was mainly attributable to the completion of the Offering and expenses relating to the administration of the SPAC related items.

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 and the Listing. 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.

FINANCIAL REVIEW (Cont'd)

Liquidity and Financial Resources

During the Relevant Period, 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$56,408,000, the calculation of gearing ratio as at 30 June 2022 was not applicable.

FINANCIAL REVIEW (Cont'd)

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 2022.

Pledge of Assets

As at 30 June 2022, the Company did not pledge any assets.

FINANCIAL REVIEW (Cont'd)

Future Plans for Material Investments or Capital Assets

As at 30 June 2022, 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.

As at 30 June 2022, the Company has not identified any specific De-SPAC Target and the Company has not, nor has anyone on our behalf, engaged in any substantive discussions with any De-SPAC Target with respect to a De-SPAC Transaction. Furthermore, as of 30 June 2022, the Company has 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 2022, 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 as well as other corporate executives and employees of the Company (if any) are benchmarked against the remuneration for similar positions in the market.

Charges on Assets

As at 30 June 2022, 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 2022, 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.

Since the Listing Date and up to 30 June 2022, 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 since the Listing Date and up to the date of this interim report.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee was established on 9 June 2022 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code.

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 period from 20 January 2022 (the Company's date of incorporation) to 30 June 2022. The interim results for the period from 20 January 2022 (the Company's date of incorporation) to 30 June 2022 have not been reviewed and audited by the auditors of the Company.

DISCLOSURE OF INTERESTS

(A) Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As far as the Company is aware, as at 30 June 2022, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director or chief executive	Capacity	Number of Shares held or interested	Percentage of shareholding in the relevant class	Percentage of shareholding in the total issued share capital
Class A Shares[1]				
Mr. Wei[3]	Interest in controlled corporation	7,875,000	7.87%	6.29%
Mr. Feng[3]	Interest in controlled corporation	7,875,000	7.87%	6.29%
Mr. Lai[4]	Interest in controlled corporation	1,750,000	1.75%	1.40%
Class B Shares[2]				
Mr. Wei[3]	Interest in controlled corporation	11,261,250	45.00%	9.00%
Mr. Feng[3]	Interest in controlled corporation	11,261,250	45.00%	9.00%
Mr. Lai[4]	Interest in controlled corporation	2,502,500	10.00%	2.00%

Notes:

(1) Represents interest in the underlying Class A Shares of the Promoter Warrants. On the basis of a cashless exercise of the Promoter Warrants and subject to the terms and conditions under the Promoter Warrant Agreement (including the exercise mechanism and anti-dilution adjustments), the Promoter Warrants may be exercised for a maximum of 17,500,000 Class A Shares in the aggregate, representing 14% of the total Shares in issue as at 30 June 2022. The calculations are based on a total number of 100,100,000 Class A Shares in issue as at 30 June 2022.

(2) The calculations are based on a total number of 25,025,000 Class B Shares in issue as at 30 June 2022. 45%, 45% and 10% of the Class B Shares are held by VKC Management, Vision Deal Acquisition Sponsor LLC and Opus Vision SPAC Limited, respectively.

DISCLOSURE OF INTERESTS (Cont'd)

(A) Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures (Cont'd)

Notes: (Cont'd)

(3) VKC Management, Vision Deal Acquisition Sponsor LLC and Opus Vision SPAC Limited are wholly owned by Mr. Wei, DealGlobe and Opus Capital, respectively. DealGlobe is wholly owned by Shanghai DealGlobe Information Consulting Co., Ltd. (上海易界信息諮詢有限公司) ("**Shanghai DealGlobe**"), and Shanghai DealGlobe is ultimately controlled by Mr. Feng as to approximately 79.75%. As such, Mr. Wei is deemed to be interested in the Class B Shares and Promoter Warrants held by VKC Management, and each of DealGlobe, Shanghai DealGlobe and Mr. Feng is deemed to be interested in the Class B Shares and Promoter Warrants held by Vision Deal Acquisition Sponsor LLC.

(4) Opus Vision SPAC Limited is wholly owned by Opus Capital, which is a wholly-owned subsidiary of Opus Financial Group Limited. Opus Financial Group Limited is a wholly-owned subsidiary of Opus Financial International Limited, which is in turn wholly owned by Lion Force Global Limited. Lion Force Global Limited is owned by Mr. Lai, Mr. Tsz Tung Tang (鄧子棟) and Mr. Wai Hung Cheung (張偉雄) as to 40%, 30% and 30%, respectively. As such, each of Opus Capital, Opus Financial Group Limited, Opus Financial International Limited, Lion Force Global Limited and Mr. Lai is deemed to be interested in the Promoter Warrants and Class B Shares held by Opus Vision SPAC Limited.

(B) Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares

As far as the Directors are aware, as at 30 June 2022, the following persons (other than the Directors or chief executives of the Company whose interest have been disclosed in this interim report) had an interest or a short position in the Shares and the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Name of Substantial Shareholder	Capacity	Number of Shares held or interested	Percentage of shareholding in the relevant class	Percentage of shareholding in the total issued share capital
Class A Shares[(1)]				
VKC Management[(3)]	Beneficial owner	7,875,000	7.87%	6.29%
Vision Deal Acquisition Sponsor LLC[(3)]	Beneficial owner	7,875,000	7.87%	6.29%
DealGlobe[(3)]	Interest in controlled corporation	7,875,000	7.87%	6.29%
Shanghai DealGlobe[(3)]	Interest in controlled corporation	7,875,000	7.87%	6.29%

DISCLOSURE OF INTERESTS (Cont'd)

(B) Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares (Cont'd)

Name of Substantial Shareholder	Capacity	Number of Shares held or interested	Percentage of shareholding in the relevant class	Percentage of shareholding in the total issued share capital
Haitong Global Investment SPC IV[4]	Beneficial owner	27,390,000	27.36%	21.89%
Haitong International Asset Management (HK) Limited[4]	Investment manager	27,390,000	27.36%	21.89%
Snow Lake China Master Fund, Ltd.[5]	Beneficial owner	12,210,000	12.20%	9.76%
Snow Lake China Offshore Fund, Ltd.[5]	Interest in controlled corporation	12,210,000	12.20%	9.76%
Snow Lake Capital (HK) Limited[6]	Investment manager	15,015,000	15.00%	12.00%
Mr. Sean Ma[6]	Interest in controlled corporation	15,015,000	15.00%	12.00%
Class B Shares[2]				
VKC Management[3]	Beneficial owner	11,261,250	45.00%	9.00%
Vision Deal Acquisition Sponsor LLC[3]	Beneficial owner	11,261,250	45.00%	9.00%
DealGlobe[3]	Interest in controlled corporation	11,261,250	45.00%	9.00%
Shanghai DealGlobe[3]	Interest in controlled corporation	11,261,250	45.00%	9.00%
Opus Vision SPAC Limited[7]	Beneficial owner	2,502,500	10.00%	2.00%
Opus Capital[7]	Interest in controlled corporation	2,502,500	10.00%	2.00%
Opus Financial Group Limited[7]	Interest in controlled corporation	2,502,500	10.00%	2.00%
Opus Financial International Limited[7]	Interest in controlled corporation	2,502,500	10.00%	2.00%
Lion Force Global Limited[7]	Interest in controlled corporation	2,502,500	10.00%	2.00%

DISCLOSURE OF INTERESTS (Cont'd)

(B) Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares (Cont'd)

Notes:

(1) Represents interest in the underlying Class A Shares of the Promoter Warrants. On the basis of a cashless exercise of the Promoter Warrants and subject to the terms and conditions under the Promoter Warrant Agreement (including the exercise mechanism and anti-dilution adjustments), the Promoter Warrants may be exercised for a maximum of 17,500,000 Class A Shares in the aggregate, representing 14% of the total Shares in issue immediately following the completion of the Offering. The calculations are based on a total number of 100,100,000 Class A Shares in issue as at 30 June 2022.

(2) The calculations are based on a total number of 25,025,000 Class B Shares in issue as at 30 June 2022.

(3) VKC Management, Vision Deal Acquisition Sponsor LLC and Opus Vision SPAC Limited are wholly owned by Mr. Wei, DealGlobe and Opus Capital, respectively. DealGlobe is wholly owned by Shanghai DealGlobe, and Shanghai DealGlobe is ultimately controlled by Mr. Feng as to approximately 79.75%. As such, Mr. Wei is deemed to be interested in the Class B Shares and Promoter Warrants held by VKC Management, and each of DealGlobe, Shanghai DealGlobe and Mr. Feng is deemed to be interested in the Class B Shares and Promoter Warrants held by Vision Deal Acquisition Sponsor LLC.

(4) Haitong Global Investment SPC IV was allotted with 18,260,000 Class A Shares together with 9,130,000 Listed Warrants upon the Listing. Haitong Global Investment SPC IV is wholly owned by Haitong International Asset Management (HK) Limited. As such, Haitong International Asset Management (HK) Limited is deemed to be interested in the Class A Shares and Listed Warrants held by Haitong Global Investment SPC IV.

(5) Snow Lake China Master Fund, Ltd. was allotted with 8,140,000 Class A Shares together with 4,070,000 Listed Warrants upon the Listing. Snow Lake China Master Fund, Ltd. is owned by Snow Lake China Offshore Fund, Ltd. as to 89.11%. As such, Snow Lake China Offshore Fund, Ltd. is deemed to be interested in the Class A Shares and Listed Warrants held by Snow Lake China Master Fund, Ltd..

(6) Snow Lake Capital (HK) Limited was allotted with 10,010,000 Class A Shares together with 5,005,000 Listed Warrants upon the Listing. Snow Lake Capital (HK) Limited is wholly owned by Mr. Sean Ma (馬自銘). As such, Mr. Sean Ma is deemed to be interested in the Class A Shares and Listed Warrants held by Snow Lake Capital (HK) Limited.

(7) Opus Vision SPAC Limited is wholly owned by Opus Capital, which is a wholly-owned subsidiary of Opus Financial Group Limited. Opus Financial Group Limited is a wholly-owned subsidiary of Opus Financial International Limited, which is in turn wholly owned by Lion Force Global Limited. Lion Force Global Limited is owned by Mr. Lai, Mr. Tsz Tung Tang (鄧子棟) and Mr. Wai Hung Cheung (張偉雄) as to 40%, 30% and 30%, respectively. As such, each of Opus Capital, Opus Financial Group Limited, Opus Financial International Limited, Lion Force Global Limited and Mr. Lai is deemed to be interested in the Class B Shares held by Opus Vision SPAC Limited.

CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

The change in directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Offering Document is set out below:

(1) Mr. Wei was appointed as a non-executive director of Polestar Automotive Holding UK PLC (NASDAQ: PSNY) in June 2022; and

(2) As disclosed in the Offering Document, Mr. Shengwen Rong has served as an independent director and audit committee chair of BlueCity Holdings Limited (NASDAQ: BLCT) since July 2020. BlueCity Holdings Limited was privatised and delisted from NASDAQ in August 2022.

Save as disclosed above, as at 30 August 2022, being the date of approval of this interim report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information disclosed publicly and as far as the Directors are aware, upon the Listing and up to 30 June 2022, 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 report.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Upon Listing and up to 30 June 2022, 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 use of gross and net proceeds from the Offering 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.

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

Hong Kong, 30 August 2022

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD FROM 20 JANUARY 2022 (DATE OF INCORPORATION) TO 30 JUNE 2022

	Notes	**For the period from 20 January 2022 (date of incorporation) to 30 June 2022** HK$'000 (Unaudited)
Revenue	6	–
Other income and loss	6	82
Change in fair value of warrant liabilities	14	(27,528)
Amortisation of transaction costs on redeemable Class A Shares	14	(59,584)
Listing expenses		(3,986)
Administrative expenses		(5,928)
Loss before income tax expense	7	(96,944)
Income tax expense	8	–
Loss and total comprehensive loss for the period		(96,944)
Loss per share	9	
— Basic and diluted (HK$)		(4.423)

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	As at 30 June 2022 HK$'000 (Unaudited)
NON-CURRENT ASSETS		
Restricted bank deposits	11	1,001,000
		1,001,000
CURRENT ASSETS		
Other receivable		109
Cash and cash equivalents		11,902
		12,011
CURRENT LIABILITIES		
Accruals and other payable	12	40,127
Amount due to promoters	13	764
Redeemable Class A Shares	14	1,001,000
Warrant liabilities	14	27,528
		1,069,419
NET CURRENT LIABILITIES		(1,057,408)
NET LIABILITIES		(56,408)
EQUITY		
Share capital	15	3
Reserves		(56,411)
TOTAL DEFICITS		(56,408)

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 22 JANUARY 2022 (DATE OF INCORPORATION) TO 30 JUNE 2022

			Reserves		
	Share capital HK$'000	**Share Premium#** HK$'000	**Share option reserve** HK$'000	**Accumulated losses** HK$'000	**Total deficits** HK$'000
Issue of shares upon incorporation (note 15)	–*	–	–	–	–*
Surrender of share (note 15)	–*	–	–	–	–*
Issue of new shares during the period (note 15)	–*	195	–	–	195
Issue of new shares pursuant to the capitalisation (note 15)	3	(3)	–	–	–
Share based payment (note 16)	–	–	40,341	–	40,341
Loss and total comprehensive loss for the period	–	–	–	(96,944)	(96,944)
At 30 June 2022 (Unaudited)	3	192	40,341	(96,944)	(56,408)

* Less than HK$1,000

\# Amount subscribed for share capital in excess of par value.

CONDENSED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 20 JANUARY 2022 (DATE OF INCORPORATION) TO 30 JUNE 2022

	For the period from 20 January 2022 (date of incorporation) to 30 June 2022 HK$'000 (Unaudited)
Net cash flows used in operating activities	(23,403)
Net cash flows generated from an investing activity	110
Net cash flows generated from financing activities	35,195
Net increase in cash and cash equivalent	11,902
Cash and cash equivalents as at 20 January 2022 (date of incorporation)	–
Cash and cash equivalents at the end of period	11,902
Analysis of balances of cash and cash equivalents	
Cash and bank balances	11,902

Major non-cash Transaction

During the period from 20 January 2022 (date of incorporation) to 30 June 2022, the Company had issued 100,100,000 Class A Shares together with 50,050,000 Listed Warrants for an aggregate price of HK$10.00 per Share. The gross proceeds of HK$1,001,000,000 from the Listing are placed in an Escrow Account and included in "restricted bank deposit" as at 30 June 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 20 JANUARY 2022 (DATE OF INCORPORATION) TO 30 JUNE 2022

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 2022, 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 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 2022, 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 2022 that are not listed on the Stock Exchange.

As at 30 June 2022, 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 describe above, the Promoter Warrants have terms and provisions that are identical to those of the Listed Warrants.

1. GENERAL INFORMATION AND BUSINESS OPERATION (Cont'd)

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 Transactions;

(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 Shareholder 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.

1. GENERAL INFORMATION AND BUSINESS OPERATION (Cont'd)

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 clauses (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 our 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 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 period from 20 January 2022 (date of incorporation) to 30 June 2022 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 does not include all information and disclosures required in the annual financial statements.

It should also be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2. BASIS OF PREPARATION AND PRESENTATION (Cont'd)

(b) Application of amendments to International Financial Reporting Standards ("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 2022. 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 2022, the Company had HK$11,902,000 in cash and net current liabilities and net liabilities of HK$1,057,408,000 and HK$56,408,000 respectively. The Company incurred loss of HK$96,944,000 and net cash used in operating activities of HK$23,403,000 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 2022 are not sufficient for this purpose. Management plans to address this through the loan facility that are provided by the Joint Promoters. Based on a working capital forecast prepared by management for 30 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's plans to 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 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements has been prepared in accordance with all applicable IFRSs.

The financial statements has been prepared on the 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Company considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

(a) If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);

(b) In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferring by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of Profit or Loss until the instrument's fair value can be determined using market observable inputs or realised through settlement.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Company's ordinary course of business are presented as other income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

Financial assets

Classification and subsequent measurement of financial assets

The Company classifies its financial assets as:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value (at either fair value through other comprehensive income ("**FVTOCI**") or FVTPL).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVOCI.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownerships.

Expected credit losses on financial assets at amortised cost

These financial assets are recognised at fair value and subsequently measured at amortised cost. At each reporting date, the Company measures the loss allowance on these financial assets at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Class B Shares are equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost
Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Class A Shares are recorded as financial liabilities as they have certain redemption features that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Class A Shares are measured at the present value of the amount that the Company might have to pay if the Class A Shares were redeemed.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading (including derivatives) or (iii) it is designated as at FVTPL.

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss.

Listed warrants are accounted for as derivative as they would not be settled only by exchanging a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments, and therefore do not meet the criteria for equity treatment.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Foreign currencies

Transactions entered into by the Company in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "**functional currency**") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

(e) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(f) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits and highly liquid investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(h) Share capital

Class B Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Class B Shares issued on incorporation date are classified as equity as there are not redeemable and do not receive any proceeds on liquidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Share-based payments

Where equity instruments are awarded to employees and others providing similar services, the fair value of services received is measured by reference to the fair value of the equity instrument at the grant date. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimates of number of equity instruments that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

For those arrangements where the terms provide either the Company or the counterparty with a choice of whether the Company settles the transaction in cash (or in other assets) or by issuing equity instruments, the Company shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the Company has incurred a liability to settle in cash (or other assets). Otherwise, the share-based payment transaction is accounted for as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

With respect to (i) the Promoter Warrants and (ii) the conversion feature contained in the Class B Shares (the "**Conversion Right**") such that the Class B Shares are convertible into Class A Shares concurrently with or following the completion of a De-SPAC Transaction, are accounted for as equity-settled share-based payment. The difference between the fair value of the Conversion Right in the Class B Shares and the Promoter Warrants and the subscription price paid by the Joint Promoters are recognised as equity-settled share-based payment cost with a corresponding increase in a reserve within equity.

The fair value of the Conversion Right in the Class B Shares and the Promoter Warrants are measured at the Listing Date, without taking to consideration of all non-market vesting condition. The total estimated fair value of the equity-settled share-based payment is spread over the vesting period based on the Company's estimate of equity instruments that will eventually vest. The Company identified the completion of a De-SPAC transaction as the vesting condition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Related parties

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of key management personnel of the Company or the Company's parent.

(b) An entity is related to the Company if any of the following conditions apply:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary are fellow subsidiary is related to the others).
- (ii) one entity is an associate or a joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of the employees of the Company or an entity related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the director of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Classification of the instruments issued by the Company

The directors of the Company assessed the instruments issued by the Company whether they should be accounted for as share-based payment within the scope of IFRS 2 or as financial instruments within the scope of IAS 32 Financial instruments. This assessment involves consideration of all terms and conditions attached to the instruments and as to whether the instruments were issued by the Company for a service to the Company, potentially at a discount or subject to service or performance conditions. The directors of the Company consider that Class A Shares and Listed Warrants are accounted for under IAS 32, whereas the Conversion Right attached to Class B Shares and Promoters Warrants are within the scope of IFRS 2.

Class A Shares: The directors of the Company determined that Class A Shares are accounted for in accordance with IAS 32. Given that Class A Shares are redeemable automatically or at the option of Class A Shareholders in case of occurrence of triggering events that are outside of the Company's control, therefore Class A Shares do not meet the criteria for equity treatment and are recorded as financial liabilities.

Listed Warrants: The directors of the Company determined that Listed Warrants are accounted for as derivative liabilities that are measured at FVTPL as they contain settlement options that considered not to meet the criteria for equity treatment under IAS 32.

Class B Shares: The directors of the Company determined that Class B Shares are accounted for as equity instrument, while the Conversion Right attached to Class B Shares to be share-based payments in the scope of IFRS 2, with the completion of a De-SPAC Transaction to be identified as the vesting condition. The Conversion Right can only vest upon successful De-SPAC transaction, which are determined to be granted to the Joint Promoters in return for the various activities and services performed on behalf of the Company in identifying an appropriate target for the De-SPAC transaction and completing the De-SPAC Transaction.

Promoter Warrants: The directors of the Company determined that Promoter Warrants are accounted for as share-based payments in the scope of IFRS 2 as the vesting of the Promoter Warrants will be tied to the services provided by the Promoters in relation to the completion of the De-SPAC Transaction. The Promoter Warrants will only be exercisable 12 months after the completion of the De-SPAC transaction and they will be lapsed or expired if the Promoters leave the Company.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) Fair value measurement

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Valuation techniques include net present value and various market recognised pricing models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in determination of fair value.

(c) Going concern assumption

These Interim Financial Statements have been prepared on a going concern basis even though there were certain conditions as explained in note 2(c). In view of such circumstances, the Directors of the Company have given careful consideration to the future liquidity and performance of the Company and its available sources of financing in assessing whether the Company will be 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, as and when they fall due. Certain measures as stated in note 2(c) have been and are being taken to manage the Company's liquidity needs and to improve its financial position.

Should the Company unable to continue as a going concern, adjustment would have to be made to write down the carrying amounts of assets to their net realisable amounts, to provide for any further liabilities that may arise to reclassify non-current assets as current assets. The effect of these potential adjustments has not been reflected in the Interim Financial Statements.

5. SEGMENT INFORMATION

The Company does not have separately reportable segments. The Company is incorporated for the purpose of effecting the De-SPAC Transaction.

6. REVENUE AND OTHER INCOME AND LOSS

(a) Revenue

The Company did not generate any revenue during the period from 20 January 2022 (date of incorporation) to 30 June 2022.

(b) Other income and loss

	For the period from 20 January 2022 (date of incorporation) to 30 June 2022 HK$'000 (Unaudited)
Bank interest income	110
Exchange loss, net	(28)
	82

7. LOSS BEFORE INCOME TAX EXPENSE

	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 — non-assurance service	100
Staff costs:	
Share based payment expenses (note 16)	5,341
Directors' remuneration (note 18)	36
	5,377

8. INCOME TAX EXPENSE

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

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

9. LOSS PER SHARE

The basic loss per share was calculated by dividing the loss for the period of approximately HK$96,944,000, by the weighted average number of 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 period from 20 January 2022 (date of incorporation) to 30 June 2022, 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.

10. DIVIDEND

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

11. RESTRICTED BANK DEPOSITS

Restricted bank deposits consist of the gross proceeds of 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 on the Escrow Account have been classified as non-current assets.

12. ACCRUALS AND OTHER PAYABLE

Accruals and other payable mainly comprise of deferred underwriting commission of approximately HK$35,035,000, which would be payable upon completion of the De-SPAC transaction.

13. AMOUNTS DUE TO PROMOTERS

The amounts due to promoters are unsecured, interest free and repayable on demand.

14. 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.

(a) Redeemable Class A Shares

The movements of the redeemable Class A Shares are as follows:

	For the period from 20 January 2022 (date of incorporation) to 30 June 2022 HK$'000 (Unaudited)
Proceeds from the issuance of redeemable Class A Shares	1,001,000
Less: Transaction costs attributable to the issuance of redeemable Class A shares*	(59,584)
Net amounts at initial recognition of redeemable Class A Shares	941,416
Amortisation of transaction costs on redeemable Class A Shares	59,584
Balances at 30 June 2022	1,001,000

* Total listing expenses (including underwriting commissions payable upon completion of the Listing and deferred underwriting commissions payable upon completion of a De-SPAC Transaction) were approximately HK$63,570,000, of which (i) HK$3,986,000 was attributable to the issuance of Listed Warrants and Promoter Warrants and was charged to the statement of profit or loss, and (ii) the remaining amount of HK$59,584,000 was attributable to the issuance of Class A Shares.

14. FINANCIAL LIABILITIES (Cont'd)

(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.

On initial recognition, the Listed Warrants are recognised as derivative liabilities and measured at fair value. The fair value of Listed Warrants was estimated to be approximately HK$80,806,000 using the Monte Carlo simulation model for which involved unobservable inputs. The day-one loss, which represented the difference between the transaction price and the fair value of the Listed Warrants at the issue date, was not recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income immediately but deferred.

The deferred day-one loss was released to the Condensed Statement of Profit or Loss and Other Comprehensive Income when the fair value of Listed Warrants can be determined using market observable inputs.

As at 30 June 2022, the fair value of Listed Warrants was approximately HK$27,528,000 which is determined based on its quoted market price, resulting in the recognition of fair value gain of HK$53,278,000.

The total fair value loss of HK$27,528,000 as shown in the Condensed Statement of Profit or Loss and Other Comprehensive Income consists of the recognition of the deferred day-one loss of HK$80,806,000 and the fair value gain of HK$53,278,000 during the reporting period.

14. FINANCIAL LIABILITIES (Cont'd)

(b) Warrant liabilities (Cont'd)

The movements of Listed Warrants, together with the transfers between level of its fair value hierarchy during the reporting period are as follows:

	Level 1 HK$'000 (Unaudited)	**Level 3** HK$'000 (Unaudited)	**Day-one deferred loss** HK$'000 (Unaudited)
Fair value at the issue date	–	80,806	(80,806)
Transfer out of Level 3# and recognition of loss in profit or loss	80,806	(80,806)	80,806
Change in fair value	(53,278)	–	–
As at 30 June 2022	27,528	–	–

\# Transfer between Level 1 and Level 3

Upon the Listing, quoted prices in active markets are available for the warrant liabilities. Therefore, warrant liabilities were transferred from a Level 3 measurement to Level 1 fair value measurement at the end of the reporting period.

Avista Valuation Advisory Limited, an independent valuation firm, is engaged to determine the fair value of the Listed Warrants at the issuing date.

The fair value was estimated as HK$1.6145 per Listed Warrant based on Monte Carlo simulation model. Under the valuation model, multiple scenarios were used to arrive a probability-weighted value per Listed Warrant. The key inputs into the valuation model were as follows at initial measurement:

Key inputs	**Ranged between**
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%
De-SPAC probability	0%–95%

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 Listed Warrants, the directors of the Company consider that the application of Monte Carlo simulation model is reasonable.

15. SHARE CAPITAL

(a) Share capital

	Number of shares (Unaudited)	Nominal amount HK$'000 (Unaudited)
Authorised:		
Class A Shares of HK$0.0001 each (note 14(a))	1,000,000,000	100
Class B Shares of HK$0.0001 each	100,000,000	10
As at 30 June 2022	1,100,000,000	110
Class B Shares Issued and fully paid:		
Issue of share upon incorporation (note (i))	1	–*
Surrender of a share (note (ii))	(1)	(–)*
Issue of new shares during the period (note (iii))	100	–*
Issue of new shares pursuant to the Capitalisation (note (iv))	25,024,900	3
	25,025,000	3

* Less than HK$1,000

As of the date of incorporation of the Company, the authorised share capital of the Company was HK$110,000.00 divided into 1,000,000,000 Class A Shares of a par value of HK$0.0001 each and 100,000,000 Class B Shares of a par value of HK$0.0001 each.

Notes:

(i) On 20 January 2022, one fully paid Class B Share was allotted and issued at par value of HK$0.0001;

(ii) On 9 February 2022, one Class B Share at par value of HK$0.0001 was surrendered by a shareholder;

(iii) On 9 February 2022, the Company allotted and issued 100 Class B Shares of par value HK$0.0001 for an aggregate subscription price of HK$195,000;

(iv) On 9 June 2022, amount of HK$3,000 standing to the credit of the share premium was capitalised by applying such sum towards the paying up in full at par a total of 25,024,900 shares for allotment and issue to the holders of Class B Shares whose names appear on the register of members in proportion to their then existing respective shareholding in the Company.

15. SHARE CAPITAL (Cont'd)

(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 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 comprised of proceeds from the sale of the Class B Shares and the Promoter Warrants; and the loan facility from the Promoters, which can draw down on 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.

16. 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 as disclosed in note 4(a).

The difference between the fair value of the Conversion Right in 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. Therefore, the Conversion Right in the Class B Shares and Promoter Warrants can only vest upon successful De-SPAC Transaction within 30 months after the Listing.

Valuation of share based payment

Equity-settled share-based payment expenses from the Conversion Right in the Class B Shares and Promoter Warrants of approximately HK$4,935,000 and HK$406,000 respectively were recognised during the period.

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

16. SHARE BASED PAYMENT (Cont'd)

(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:

	For the period from 20 January 2022 (date of incorporation) to 30 June 2022 Number of Conversion Right in the Class B Shares (Unaudited)
Granted and outstanding as at 30 June 2022	25,025,000

The fair value of the Conversion Right in each of the Class B Shares was estimated to be HK$9.0, which was determined based on the unit issue price of the Class A Share at HK$10.0 each and applied a discount for lack of marketability of 10% derived by the Black Scholes Put Option Model. Taking 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 and Class B Shares are not publicly traded on the Stock Exchange, the directors of the Company consider that applying a discount for lack of marketability in the valuation is reasonable.

(b) Promoter Warrants

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

	For the period from 20 January 2022 (date of incorporation) to 30 June 2022 Number of Promoter Warrants (Unaudited)
Granted and outstanding as at 30 June 2022	35,000,000

16. SHARE BASED PAYMENT (Cont'd)

(b) Promoter Warrants (Cont'd)

The fair value was estimated as HK$1.5288 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:

Key inputs	Ranged between
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.

17. FINANCIAL INSTRUMENTS

(a) Financial instruments not measured at fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed interim financial statements not measured at fair value on a recurring basis (but fair value disclosures are required) approximate their fair values.

The fair values of other receivables, cash and cash equivalent, accruals and other payable and amounts due to promoters approximate to their carrying amounts largely due to the short term maturities of these instruments.

The carrying amounts of the restricted bank deposits approximate their fair values as the interest rates will adjust periodically and is close to market interest rate.

(b) Financial instruments measured at fair value

The following table provides an analysis of financial instruments measured at fair value by level of fair value hierarchy:

Level 1: Quoted prices in active markets for identical items (unadjusted);
Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
Level 3: Unobservable inputs (i.e. not derived from market data).

	As at 30 June 2022 (Unaudited)		
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000
Financial liabilities at FVTPL			
Warrant liabilities	27,528	–	–

Details of warrant liabilities are disclosed in note 14(b).

18. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Company had the following transactions with related parties during the period:

	Note	**For the period from 20 January 2022 (date of incorporation) to 30 June 2022** (Unaudited) HK$'000
Compliance advisory service fees paid to a related company	i	28
Share-based payment for Class B Shares	16	4,935
Share-based payment for Promoter Warrants	16	406
Remuneration payable to independent non-executive directors		36

Note:

i. Compliance advisory service fees paid to a related company was mutually agreed between the relevant parties.

19. SUBSEQUENT EVENTS

Save as disclosed in this interim report, the Company does not have any material subsequent event after the end of the period.

DEFINITIONS

"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 People's Republic of China
"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

DEFINITIONS (Cont'd)

"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. Feng"	Mr. Lin Feng （馮林）, an executive Director and the chief executive officer of the Company, and the chairman and chief executive officer of DealGlobe
"Mr. Lai"	Mr. Shu Fun Francis Alvin Lai （黎樹勳）, a non-executive Director, and the founder and chief executive officer of Opus Financial Group Limited
"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 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities 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 interim report, 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 Warrant Agreement"	the agreement constituting the Promoter Warrants
"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 period from 20 January 2022 (the Company's date of incorporation) to 30 June 2022
"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
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"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 the Trustee relating to the establishment and operation of the Escrow Account
"Trustee"	CCB (Asia) Trustee Company Limited, acting as the independent trustee of the Escrow Account
"VKC Management"	VKC Acquisition Management Limited, a company incorporated in the British Virgin Islands on 26 February 2020
"%"	per cent