

## Addendum for SPAC Transactions

This Addendum is additional and supplemental to the Cash Client's Agreement, Margin Client's Agreement and the Terms and Conditions for Professional Investors between CMB International Securities Limited ("**CMBIS**") / CMB International Global Markets Limited ("**CMBIGM**") and the Client. All transactions effected, conducted, carried on and entered into by the Client with and through the Company or its agent related to SPAC Securities (as defined below) to be provided by the Company to the Client shall be subject to this Addendum. By entering into any SPAC Securities transactions or maintaining any SPAC Securities in the Account(s), the Client agrees (or shall be deemed to have agreed) to this Addendum. Where any conflict or inconsistency arises between any provision of this Addendum and any provision of Cash Client's Agreement, Margin Client's Agreement or the Terms and Conditions for Professional Investors, the provisions in this Addendum shall prevail.

CMBIS and CMBIGM are referred to individually, or as the context may require, collectively as the "**Company**".

### 1. Definitions

1.1. In this Addendum, unless the context requires otherwise, words and expressions shall have the following meanings:

"**De-SPAC Target**" means the target of a De-SPAC Transaction;

"**De-SPAC Transaction**" means an acquisition of, or a business combination with, a De-SPAC Target by a SPAC that results in the listing of a Successor Company;

"**Listing Document**" means a prospectus, an offering circular or any equivalent document issued or proposed to be issued in connection with a listing;

"**PIPE**" means a third party investment, for the purposes of completing a De-SPAC Transaction, that has been committed prior to the De-SPAC announcement;

"**Professional Investor**" has the meaning ascribed to it under section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

"**Promoter Share**" means a share of a separate class to SPAC Shares issued by a SPAC exclusively to a SPAC Promoter at nominal consideration;

"**Promoter Warrant**" means a warrant of a separate class to SPAC Warrant issued exclusively to a SPAC Promoter;

"**SPAC**" means a special purpose acquisition company. A SPAC is a type of shell company that raises funds through its listing for the purpose of acquiring a De-SPAC Target (a De-SPAC Transaction) within a pre-defined time period after listing;

"**SPAC Share**" means a share of a SPAC that is not a Promoter Share;

"**SPAC Shareholder**" means the holder of SPAC Share;

"**SPAC Warrant**" means a warrant that provides the holder with the right to purchase a SPAC Share that is not a Promoter Warrant;

"**SPAC Promoter**" means a person who establishes a SPAC and/or beneficially owns Promoter Shares issued by a SPAC;

"**SPAC Securities**" means any of SPAC Shares or SPAC Warrants;

"**Successor Company**" means the listed issuer resulting from the completion of a De-SPAC Transaction;

1.2 Capitalized terms that are not otherwise defined in this Addendum shall have the same meaning in the Cash Client's Agreement, Margin Client's Agreement and/or the Terms and Conditions for Professional Investors, as applicable.

### 2. Representations, Warranties and Undertakings

2.1. The Client represents, warrants and undertakes that:

(1) All SPAC Securities transactions shall be effected in accordance with all applicable laws and regulations

applying to the Company, including but not limited to the listing and trading rules of HKEx. The Client agrees that all actions taken by the Company or by HKEx in accordance with the applicable laws and regulations shall be binding on the Client.

- (2) The Client and its underlying clients (where applicable) is capable of making and will make all the representations, warranties, undertakings and declarations required to be made by a purchaser or holder of the SPAC Securities under the terms and conditions of the SPAC Securities and the Listing Documents. The Client confirms that all representations, confirmations and declarations made or to be made under the related documents by the Client and its underlying clients as a purchaser, holder or in other capacity are accurate and complete. The Client and its underlying clients have complied and will comply with all undertakings and selling restrictions under the relevant Listing Documents.
- (3) Trading of SPAC Securities is limited to a Professional Investor or other type of investors approved by HKEx and/or SFC (“**Eligible SPAC Investor**”). The Client confirms that it will trade SPAC Securities only when the Client is, and in the case where the Client is an intermediary (including, but not limited to, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each such underlying client is, an Eligible SPAC Investor. The Client further represents and undertakes to examine, verify and ensure its underlying clients are Eligible SPAC Investors. If the Client or any underlying client or clients is not an Eligible SPAC Investor (“**Non-Eligible SPAC Investors**”), the Client hereby agrees and authorizes the Company, at any time, to facilitate the disposal, redemption, voting or otherwise dealing with such SPAC Securities of such Non-Eligible SPAC Investors in the Company’s absolute discretion. The Client undertakes to indemnify and keep the Company indemnified in respect of any costs, claims, demands, damages and expenses whatsoever which may be suffered or incurred by the Company directly or indirectly arising out of or in connection with such SPAC Securities transactions entered into by the Company as agent on behalf of any Non-Eligible SPAC Investors. The Client also agrees to pay promptly to the Company, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) reasonably and properly incurred by the Company in the enforcement of this provision.
- (4) The Clients fully understands and agrees with the terms and conditions of the SPAC Securities and the content of the Listing Documents before subscribing for or trading any SPAC Securities, including without limitation accepting any risks (e.g. liquidity and volatility risks) associated with SPAC Securities.
- (5) The Client understands and accepts the contents of the Listing Documents with respect to voting, redemption and liquidation rights of SPAC Shareholders and that the exercise of such rights may be subject to timing and other restrictions.

2.2 All representations and warranties shall be deemed to be repeated by the Client immediately before effecting and executing each SPAC Securities transaction.

### 3. Mandatory Unwinding

3.1 In the event the Company receives notice from HKEx or SFC requiring the Company to unwind any positions in relation to SPAC Securities, or where the Company determines in its sole discretion that any SPAC Securities transaction is not in compliance with applicable laws, regulations, listing rules, guidelines or other requirements of HKEx or SFC, the Company shall be entitled to serve notice (“**Mandatory Unwind Notice**”) to request the Client to unwind any position with respect to SPAC Securities within three days (or within such other time as specified by the Company in the Mandatory Unwind Notice). If such request is not complied with in a timely manner, the Client authorizes the Company to dispose, vote, redeem or otherwise deal with such relevant SPAC Securities on behalf of the Client at such price and on such terms and manners as the Company may determine in its sole and absolute discretion to be necessary to comply with any such laws, regulations, listing rules, guidelines or requirements.

### 4. Risks Disclosures – SPAC Securities

The risks related to SPAC Securities listed below or in the Listing Documents are not exhaustive. The Client

should ensure all related risks are acceptable before investing into any SPAC Securities.

**4.1 Risk of Price Volatility** - As a SPAC has no operations, it is unable to report performance factors (e.g. revenue, profit / loss and cash flow) that investors would normally rely upon to determine the value of its shares. The share price of a SPAC is therefore likely to be driven by speculation, such as with respect to the potential outcome of the SPAC's efforts to find a suitable De-SPAC Target.

**4.2 Lack of Information** - A SPAC is subject to less stringent regulatory requirements during the IPO stage and it may result in a higher chance of misinformation. In-depth information disclosure that are usually required for traditional IPO may not be available for listing of SPAC. Since the SPAC has yet to identify a specific target business at the time of listing, investors may not be able to make full assessment on their investment.

**4.3 Uncertainty of De-SPAC Target** - The simpler route to listing for SPACs may incentivise companies that have not reached market standards and quality to take advantage of this quick access to public funding by circumventing the rigorous approval process normally required in a traditional IPO. Sponsors may be faced with time pressure to complete the De-SPAC Transaction within specified timeframe. It may result in the underperformance or failure of the combined business entity.

**4.4 Potential Conflict of Interest** - The sponsors may be financially motivated to proceed with the De-SPAC Transaction regardless of the quality of the De-SPAC Target as they are entitled to stake in the SPAC with a minimal investment upon the De-SPAC Transaction; and their interests may be potentially in conflict with SPAC Shareholder's interests.

**4.5 Dilution Risk** - The redemption feature of the SPAC creates uncertainty on the amount of funds available to the SPAC to complete an acquisition of De-SPAC Target and whether the sponsors can secure additional funds from the PIPE or other investors to complete such acquisition. The availability and costs of such additional funds highly depend on the market and economic conditions and it may have a dilution effect on the equity interest of the investors of the SPAC.

**4.6 Risk of Mandatory-Unwind** - As a result of implementing a Client Mandatory Unwind Notice, investors may suffer heavy losses on the investment in SPAC Securities.

**4.7 SPAC Warrant Risk** - The terms of SPAC Warrants may vary greatly across different SPACs. It is important for investors to review the Listing Documents of the particular SPAC to understand the specific terms of the SPAC Warrants. A SPAC Warrant provides the holder with the right to purchase a SPAC Share (or a fraction of a SPAC Share) at a set exercise price at a set time. If an investor misses the notice of redemption and fail to exercise within the given period or the SPAC Warrants are forced to be exercised early, the SPAC Warrants held by the investor can become essentially worthless.

**4.8 Volatility of Warrants** - SPAC Warrants prior to a De-SPAC Transaction may experience higher price volatility than SPAC Shares soon after a SPAC is listed and this price volatility may increase gradually as the deadline for a De-SPAC Transaction approaches. If a SPAC is liquidated, investors will receive a pro rata amount of the funds held in the SPAC's trust account and their SPAC Warrants may become worthless.

## 5. Language

5.1 This Addendum is made in both English and Chinese. In the event of any discrepancy between the English version and the Chinese version, the English version shall prevail.