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# **HYPEBEAST**

## **Hypebeast Limited**

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

**(Stock Code: 00150)**

### **ANNOUNCEMENT**

**(1) VERY SUBSTANTIAL ACQUISITION  
IN RELATION TO MERGER WITH IRON SPARK INVOLVING  
ISSUE OF CONSIDERATION SHARES  
UNDER A SPECIFIC MANDATE  
(2) PROPOSED ISSUE OF SUBSCRIPTION SHARES TO  
PIPE INVESTORS UNDER A SPECIFIC MANDATE  
AND  
(3) SHARE CONSOLIDATION**

**Exclusive Financial Adviser to  
the Company**

Cowen and Company, LLC.

**Financial Advisers to Iron Spark**

Morgan Stanley & Co. LLC

BTIG, LLC

**PART A — VERY SUBSTANTIAL ACQUISITION — MERGER WITH IRON SPARK  
MERGER AND ISSUE OF CONSIDERATION SHARES**

The Board is pleased to announce that, on 3 April 2022, (i) the Company, (ii) Iron Spark, and (iii) Merger Sub, a wholly-owned subsidiary of the Company, entered into the Merger Agreement, pursuant to which, subject to satisfaction of the conditions precedent stipulated under the Merger Agreement, (a) Merger Sub will merge with and into Iron Spark, with Iron Spark being the surviving entity in the Merger, and after giving effect to the Merger, Iron Spark will become a wholly-owned subsidiary of the Company; and (b) each Iron Spark Share issued and outstanding immediately before completion of the Merger (other than the Iron Spark Shares owned by Iron Spark as treasury shares, the Iron

Spark Shares owned by any of Iron Spark's direct or indirect wholly-owned subsidiaries, and the Iron Spark Shares in respect of which the respective eligible holders thereof have validly exercised the redemption right) will be cancelled and automatically converted into the right to receive, without interest, one (1) Consolidated Share at completion of the Merger.

Based on the Assumptions as set forth herein, the estimated maximum number of Consideration Shares to be issued upon completion of the Merger is 22,183,300, which amounts to a maximum consideration of US\$221.83 million (equivalent to approximately HK\$1.73 billion), subject to adjustment based on the level of redemptions of Iron Spark Shares by any eligible Iron Spark Public Stockholders.

Upon completion of the Merger, the Company will, in addition to remaining as a company listed on the Stock Exchange, become the resulting U.S.-listed company and qualify as a foreign private issuer with its Consolidated Shares listed for trading on Nasdaq. In addition to the Consideration Shares to be issued to the Iron Spark Public Stockholders, the Sponsor and the directors of Iron Spark who own Iron Spark Shares, which will be registered together through a registration statement on Form F-4, the Company will file a separate registration statement with respect to the Consolidated Shares held by Mr. Ma Pak Wing Kevin, Ms. Lee Yuen Tung Janice and CORE Capital, being the controlling shareholders of the Company, to allow them to freely trade the Consolidated Shares they hold on Nasdaq upon such registration statement being declared effective by the SEC. Other Shareholders who currently hold the Company's Hong Kong publicly traded Shares would be able to trade their Consolidated Shares on Nasdaq in reliance on the relevant exemptions under the U.S. Securities Act (subject to any lock-up restrictions). As a result, all Consolidated Shares will be listed and traded on Nasdaq upon completion of the Merger.

#### **ISSUE OF SUBSCRIPTION SHARES TO PIPE INVESTORS UNDER THE PRIVATE PLACEMENT**

Concurrently with the signing of the Merger Agreement, the PIPE Investors entered into the PIPE Share Subscription Agreements with the Company, pursuant to which the PIPE Investors have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Subscription Shares at the Subscription Price, being an issue price identical to the Consideration Share Issue Price, for an aggregate subscription price of US\$13,335,000.00 (equivalent to approximately HK\$104,013,000.00), substantially concurrently with (and subject to) completion of the Merger.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Transactions exceed 100%, the Transactions constitute a very substantial acquisition of the Company in accordance with Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **SHARE CONSOLIDATION**

As part of the Merger and immediately before completion of the Merger, the Board proposes to implement the Share Consolidation in accordance with the Consolidation Ratio (i.e., the quotient obtained by dividing (i) the Pre-Share Consolidation Share Number by (ii) the Company Equity Value divided by US\$10.00). Solely for illustration purpose and on the assumption that the Pre-Share Consolidation Share Number is 2,053,629,231 (i.e., the total number of issued Shares as at the close of business in Hong Kong on the Business Day prior to the date of this announcement), the Consolidation Ratio would be 68.4543077 (i.e., every 68.4543077 Shares will be consolidated into one (1) Consolidated Share).

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

## **CANCELLATION OF THE LEVEL 1 AMERICAN DEPOSITARY RECEIPT PROGRAM**

Reference is made to the announcement of the Company dated 5 February 2021 in relation to the establishment of a sponsored Level 1 American Depositary Receipt Program. Upon completion of the Merger, the Company will become listed for trading on the Stock Exchange and Nasdaq. Since the dual-listing status will increase liquidity of the Consolidated Shares in the United States and provide broader access to the U.S. capital market, the Company will cancel its sponsored Level 1 American Depositary Receipt Program established by the Company with effect from 16 February 2021, prior to the completion of the Merger.

## **PART B — GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, (i) the Merger; (ii) the Specific Mandate for the issue of Consideration Shares and Subscription Shares; and (iii) the Share Consolidation.

**Pursuant to Rule 14.60(7) of the Listing Rules, a circular containing, among other things, (i) further details of (a) the very substantial acquisition in connection with the Merger; (b) the Specific Mandate for the issue of Consideration Shares and Subscription Shares; and (c) the Share Consolidation; and (ii) the notice of the EGM shall be despatched within fifteen (15) Business Days after publication of this announcement. As more time is required to prepare the financial information to be included in the circular, the circular is expected to be despatched to the Shareholders on or before 31 July 2022. Shareholders and potential investors should refer to the circular for further details of the Merger, the Private Placement, the Share Consolidation and other matters.**

**The Transactions may or may not proceed or become unconditional or effective. There is no assurance that all the conditions precedent contained in the Transaction Agreements can be satisfied. Shareholders and potential investors should exercise caution, and should not only rely on information published by the Company, when dealing, or contemplating dealing, in the Shares.**

## **PART A — VERY SUBSTANTIAL ACQUISITION — MERGER WITH IRON SPARK**

### **I. INTRODUCTION**

On 3 April 2022, (i) the Company, (ii) Iron Spark, and (iii) Merger Sub, a wholly-owned subsidiary of the Company, entered into the Merger Agreement, pursuant to which, subject to satisfaction of the conditions precedent stipulated under the Merger Agreement, (a) Merger Sub will merge with and into Iron Spark, with Iron Spark being the surviving entity in the Merger, and after giving effect to the Merger, Iron Spark will become a wholly-owned subsidiary of the Company; and (b) each Iron Spark Share issued and outstanding immediately before completion of the Merger (other than the Iron Spark Shares owned by Iron Spark as treasury shares, the Iron Spark Shares owned by any of Iron Spark's direct or indirect wholly-owned subsidiaries, and the Iron Spark Shares in respect of which the respective eligible holders thereof have validly exercised the redemption right) will be cancelled and automatically converted into the right to receive, without interest, one (1) Consolidated Share at completion of the Merger.

Upon completion of the Merger, the Company will, in addition to remaining as a company listed on the Stock Exchange, become the resulting U.S.-listed company and qualify as a foreign private issuer with its Consolidated Shares listed for trading on Nasdaq. In addition to the Consideration Shares to be issued to the Iron Spark Public Stockholders, the Sponsor and directors of Iron Spark who own Iron Spark Shares, which will be registered together through a registration statement on Form F-4, the Company will file a separate registration statement on Form F-1 with respect to the Consolidated Shares held by Mr. Ma Pak Wing Kevin, Ms. Lee Yuen Tung Janice and CORE Capital, being the controlling shareholders of the Company, to allow them to freely trade the Consolidated Shares they hold on Nasdaq upon such registration statement being declared effective by the SEC. Other Shareholders who currently hold the Company's Hong Kong publicly traded Shares would be able to trade their Consolidated Shares on Nasdaq in reliance on the relevant exemptions under the U.S. Securities Act (subject to any lock-up restrictions). As a result, all Consolidated Shares will be listed and traded on Nasdaq upon completion of the Merger.

## **II. MERGER AND ISSUE OF CONSIDERATION SHARES**

### **(A) Principal Terms of the Merger Agreement**

Summarised below are the principal terms of the Merger Agreement:

**Date:** 3 April 2022

**Parties:**

- (1) Company
- (2) Iron Spark
- (3) Merger Sub

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Iron Spark and its ultimate beneficial owners are Independent Third Parties.

**Subject:** 100% of the equity interest of Iron Spark. Upon completion of the Merger, Iron Spark will become a wholly-owned subsidiary of the Company and Consideration Shares will be issued to the Iron Spark Public Stockholders, the Sponsor and directors of Iron Spark who own Iron Spark Shares.

**Consideration:** Based on the Assumptions, the estimated maximum number of Consideration Shares to be issued upon completion of the Merger is 22,183,300, which amounts to a maximum consideration of US\$221.83 million (equivalent to approximately HK\$1.73 billion), subject to adjustment based on the level of redemptions of Iron Spark Shares by any eligible Iron Spark Public Stockholders. For further details relating to the redemption rights of the Iron Spark Public Stockholders, please refer to sub-section titled “(D) *Redemption Rights of Iron Spark Public Stockholders*”.

**Consideration Shares:** The consideration payable by the Company under the Merger will be satisfied by the issuance of Consideration Shares.

Based on the Assumptions, up to 22,183,300 Consolidated Shares will be allotted and issued as Consideration Shares, representing approximately (i) 73.94% of the issued share capital of the Company as at the date of this announcement (assuming the Share Consolidation were completed as of the date hereof); and (ii) 41.45% of the enlarged issued share capital of the Company upon completion of the Transactions (assuming that (x) except for the Share Consolidation, there is no change in the issued share capital of the Company and Iron Spark after the date of this announcement until the completion of the Transactions, and (y) there will be no redemption of Iron Spark Shares by any eligible Iron Spark Public Stockholder).

**Consideration Share Issue Price:** The issue price per Consideration Share is US\$10.00 (equivalent to approximately HK\$78.00 per Consideration Share) (the “**Consideration Share Issue Price**”).

**Covenants:** The Merger Agreement contains customary covenants of the parties with respect to the operation of their respective businesses prior to consummation of the Merger and efforts to satisfy conditions precedent of the Merger.

**Conditions Precedent:** The obligations of all the parties to the Merger Agreement to consummate the transactions contemplated by the Merger Agreement will be conditional upon the fulfillment of the following conditions precedent, provided that any one or more of which may be waived (if legally permitted) by the party or the parties of the Merger Agreement whose obligations are conditioned thereupon:

1. the absence of a prohibition under any applicable law or court order on consummating the completion of the Merger;
2. the absence of any action brought by a third party not affiliated to the parties to the Merger Agreement that would otherwise restrict the consummation of the completion of the Merger;
3. a registration statement on Form F-4<sup>1</sup> to register the issuance of Consideration Shares being declared effective under the U.S. Securities Act and the absence of stop order suspending the effectiveness of such registration statement or any part thereof;

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<sup>1</sup> The registration statement on Form F-4 will be filed shortly after the Merger Agreement is signed. The SEC will review and likely provide a few rounds of comments to the Form F-4 registration statement. Upon clearance of all SEC's comments, the Form F-4 will be declared effective, which is estimated to be approximately 30 days prior to the closing date of the Merger.

4. submission of all matters in relation to the Transactions for voting by Iron Spark's shareholders at the shareholders' meeting of Iron Spark in accordance with the proxy statement and the charter of Iron Spark and the completion of approval procedures of Iron Spark on such matters at the shareholders' meeting in accordance with the applicable laws, proxy statement and the charter of Iron Spark;
5. submission of all matters in relation to the Transactions for voting by the Shareholders at the EGM in accordance with the laws of the Cayman Islands, the Articles and the Listing Rules, and the completion of approval procedures of the Company on such matters at the EGM in accordance with the laws of the Cayman Islands, the Articles and the Listing Rules;
6. the Company's initial listing application with Nasdaq with respect to all the outstanding share capital of the Company, including the Consideration Shares, in connection with the Merger and the transactions contemplated by the Merger Agreement being conditionally approved and, immediately following the completion of the Merger, the satisfaction of any applicable initial and continuing listing requirements of Nasdaq by the Company and the absence of any notice of such non-compliance;
7. the Consideration Shares to be issued pursuant to the Merger being approved for listing on Nasdaq, subject to official notice of issuance;

8. the receipt of clearance from the Stock Exchange on, and the registration of, the registration statement on Form F-4 as a prospectus pursuant to the C(WUMP)O<sup>2</sup>;
9. the Company's listing application with the Listing Committee for the Consideration Shares being approved, and such approval remains valid and effective;
10. Iron Spark having no less than US\$5,000,001 of net tangible assets remaining after deducting the aggregate amount payable by Iron Spark with respect to all the Iron Spark Shares in respect of which redemption rights have been validly exercised;
11. the Share Consolidation being completed in accordance with the terms under the Merger Agreement and the Articles; and
12. the existing Level 1 American Depositary Receipt Program of the Company being terminated.

The obligation of Iron Spark to consummate the transactions contemplated by the Merger Agreement will be conditional upon the fulfillment, or waiver at Iron Spark's sole discretion, of the following further conditions precedent:

1. the Company and Merger Sub having duly performed all of their respective obligations under the Merger Agreement in all material respects;

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<sup>2</sup> As the Form F-4 registration statement will constitute a prospectus under the C(WUMP)O, the Form F-4 registration statement will comply with the relevant requirements under the C(WUMP)O and will be registered as a prospectus with the Hong Kong Companies Registry.

2. the representations and warranties of the Company being true and correct as of the date of the Merger Agreement and as of the closing date of the Merger, other than as would not in the aggregate reasonably be expected to have a material adverse effect on the Group; and
3. no material adverse effect on the Group shall have occurred since the date of the Merger Agreement which is continuing.

The obligation of the Company to consummate the transactions contemplated by the Merger Agreement will be conditional upon the fulfillment, or waiver at the Company's sole discretion, of the following further conditions precedent:

1. Iron Spark having duly performed all of their respective obligations under the Merger Agreement in all material respects;
2. the representations and warranties of Iron Spark being true and correct as of the date of the Merger Agreement and as of the closing date of the Merger, other than as would not in the aggregate reasonably be expected to have a material adverse effect on the ability of Iron Spark to consummate the Merger and the transactions contemplated by the Transaction Agreements;
3. Iron Spark remaining listed on Nasdaq through the date of completion of the Merger;
4. material compliance of applicable reporting requirements under the U.S. Securities Act and the Securities Exchange Act of 1934 by Iron Spark;
5. Iron Spark having no less than US\$35,000,000 of Available Closing Cash Amount; and

6. no material adverse effect on the ability of Iron Spark to consummate the Merger and the transactions contemplated by the Transaction Agreements shall have occurred since the date of the Merger Agreement which is continuing.

As at the date of this announcement, the parties to the Merger Agreement have no intention to waive any of the above conditions precedent.

**Directors' Nomination  
Right:**

Upon completion of the Merger, the Board shall consist of seven (7) Directors, which shall include (a) each Director immediately before the Merger becoming effective and (b) two (2) Directors designated by the Sponsor pursuant to a written notice to be delivered to the Company sufficiently in advance to allow for inclusion of such persons in the registration statement on Form F-4 to register the issuance of Consideration Shares (subject to each such candidate passing background checks by the Company, satisfying the relevant qualification and suitability requirements applicable to a director of a company listed on the Stock Exchange and Nasdaq, and complying with applicable laws, including the Listing Rules).

**Termination:**

The Merger Agreement may be terminated under customary and limited circumstances prior to completion of the Merger, including but not limited to:

- by mutual written consent of the Company and Iron Spark;

- by either the Company or Iron Spark if the Merger is not consummated by the nine (9) month period (subject to extension by the Company and Iron Spark upon mutual consent) from the date of the Merger Agreement (the “**Long Stop Date**”) and the delay in completion beyond the Long Stop Date is not due to the breach of the Merger Agreement by the party seeking to terminate;
- by either the Company or Iron Spark if there is a final and non-appealable order prohibiting the Merger and the transactions contemplated by the Transaction Agreements or having the effect of making the consummation of such transactions illegal;
- by the Company if Iron Spark has materially breached any of its covenants, agreements, representations and warranties contained in the Merger Agreement or in any related agreements and such breach of representations or warranties or the failure to perform such covenant or agreement, as applicable, is not cured or cannot be cured within certain specified time periods;
- by the Company if the Merger and other related proposals are not approved by Iron Spark’s shareholders at the duly convened shareholders’ meeting of Iron Spark;
- by Iron Spark if the Company or the Merger Sub has materially breached any of its covenants, agreements, representations and warranties contained in the Merger Agreement or in any related agreements and such breach of representations or warranties or the failure to perform such covenant or agreement, as applicable, are not cured or cannot be cured within certain specified time periods;

- by Iron Spark if the Merger and other related proposals are not approved in the EGM; or
- by the Company if the board of Iron Spark has changed or withdrawn its recommendation to Iron Spark Public Stockholders of the Merger.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there is, and in the past twelve months, there has been, no material loan arrangement between (a) Iron Spark/the Sponsor, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of Iron Spark/the Sponsor; and (b) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the Transactions).

**(B) Basis of Consideration**

Based on the Assumptions, the estimated maximum number of Consideration Shares to be issued upon completion of the Merger is 22,183,300 which amounts to a maximum consideration of US\$221.83 million (equivalent to approximately HK\$1.73 billion), calculated on the basis of the Consideration Share Issue Price. The consideration of the Merger is determined with reference to prevailing market prices of the Shares as quoted on the Stock Exchange and the Company Equity Value on the date of this announcement. The Company Equity Value has been arrived at based on commercial negotiations between the parties to the Merger Agreement, and has been determined with reference to the historical average market capitalisation of the Shares traded on the Stock Exchange over a period of six (6) months and one (1) year ended on December 31, 2021, being approximately US\$289.3 million (equivalent to approximately HK\$2.238 billion) and US\$286.8 million (equivalent to approximately HK\$2.236 billion), and taking into account factors such as mid-term volatility in share prices and adjustments for the Company's outstanding debts and available cash and cash equivalents.

For illustration purposes only, the estimated maximum number of Consideration Shares is calculated subject to the following assumptions (the “**Assumptions**”):

- there will be no redemption by the eligible Iron Spark Public Stockholders in connection with the Merger;
- Iron Spark has a total of 22,183,300 Iron Spark Shares issued and outstanding immediately before completion of the Merger (i.e., the outstanding share capital of Iron Spark remains unchanged since the date of the Merger Agreement and no Iron Spark Share is held as treasury shares);
- the Share Consolidation will be implemented without considering the effect of any fractional Consolidated Shares as detailed under the section headed “*Part A — Very Substantial Acquisition — Merger with Iron Spark — IX. Share Consolidation*” below; and
- except for the Share Consolidation, there is no subdivision or consolidation of Shares or capital reduction of Shares between the date of the Merger Agreement and immediately before completion of the Merger.

**(C) Consideration Shares**

The consideration for the Merger will be satisfied by the issuance of Consideration Shares. The Consideration Share Issue Price is US\$10.00 per Consideration Share (equivalent to approximately HK\$78.00 per Consideration Share).

The Consideration Share Issue Price of approximately HK\$78.00 per Consideration Share represents:

- a premium of approximately 40.67% over closing price of HK\$55.45 for every 68.4543077 Shares as quoted on the Stock Exchange for the last trading day immediately before the date of this announcement;

- a premium of approximately 42.08% over the average closing price of HK\$54.90 for every 68.4543077 Shares as quoted on the Stock Exchange for the 5 trading days immediately before the date of this announcement; and
- a premium of approximately 39.30% over the average closing price of HK\$56.00 for every 68.4543077 Shares as quoted on the Stock Exchange for the 10 trading days immediately before the date of this announcement.

*Note: For illustration purposes, the above comparisons to market prices of the Shares have taken into account the effect of the Share Consolidation.*

The Consideration Shares, when allotted and issued, shall rank *pari passu* with all the other Consolidated Shares in issue as at the date of allotment and issue of such Consideration Shares on the closing date of the Merger.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate, which will be subject to Shareholders' approval at the EGM. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

#### **(D) Redemption Rights of Iron Spark Public Stockholders**

The relevant redemption rights of the Iron Spark Public Stockholders are set out in the prospectus issued by Iron Spark in connection with its initial public offering in the United States. As disclosed in the prospectus, Iron Spark has committed to providing the eligible Iron Spark Public Stockholders with the opportunity to redeem all or a portion of the Iron Spark Shares upon the completion of Iron Spark's initial business combination. The Merger would constitute Iron Spark's initial business combination. The amount to be paid to any redeeming Iron Spark Public Stockholders from the funds held in the trust account of Iron Spark (the "**Trust Account**") when the Trust Account is liquidated will be equal to US\$10.00 per Iron Spark Share (not including dividends previously paid), which equals the offering price of each share of class A common stock of Iron Spark during its initial public offering.

The Sponsor has also entered into a letter agreement with Iron Spark, pursuant to which the Sponsor has agreed to waive its redemption rights with respect to any Iron Spark Shares held by the Sponsor and any Iron Spark Shares which it may acquire in connection with the completion of Iron Spark's initial business combination.

**(E) Payment out of the Trust Account**

At completion of the Merger, Iron Spark shall cause to be paid, with available funds from the Trust Account, (a) as and when due all amounts payable with respect to all the Iron Spark Shares in respect of which redemption rights have been validly exercised; (b) a cash dividend in the amount of US\$0.05 per share, without interest, with respect to all non-redeeming shares of class A common stock of Iron Spark issued and outstanding immediately before completion of the Merger that were originally issued in Iron Spark’s initial public offering (the “**Non-Redeeming Iron Spark Shares**”); (c) an amount payable to the Sponsor that equal to (i) all amounts in the Trust Account immediately prior to completion of the Merger, *minus* (ii) items (a) and (b) above, *minus* (iii) the product of US\$10.00 *multiplied* by the aggregate number of the Non-Redeeming Iron Spark Shares, *minus* (iv) to the extent any proceeds from the Private Placement and/or the Permitted Equity Subscription Agreement having been funded to the Trust Account at or before completion of the Merger, the amount of all such funded proceeds; and (d) all accrued and unpaid transaction expenses.

**(F) Financial Information of Iron Spark**

Iron Spark is a company incorporated in the State of Delaware, the United States on 22 January 2021 and is a special purpose acquisition company formed for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, reorganisation or similar business combination with one or more businesses or entities. Iron Spark has been listed on Nasdaq (NASDAQ: ISAA) since 11 June 2021.

Set out below is a summary of the key financial information of Iron Spark as at 30 September 2021 and for the period from 22 January 2021 (i.e., the date of its incorporation) through 30 September 2021, as published by Iron Spark on 18 November 2021. The following financial information has been prepared in conformity with accounting principles generally accepted in the United States:

	<b>For the period from 22 January 2021 through 30 September 2021</b> <i>(Unaudited)</i>
Net loss (before franchise taxes expenses)	US\$(523,755)
Net loss (after franchise taxes expenses)	US\$(661,289)
	<b>As at 30 September 2021</b> <i>(Unaudited)</i>
Total Assets	US\$173,787,985
Total Liabilities	US\$6,065,763
Total Net Assets	US\$167,722,222

### III. ISSUE OF SUBSCRIPTION SHARES TO PIPE INVESTORS UNDER THE PRIVATE PLACEMENT

Concurrently with the signing of the Merger Agreement, the PIPE Investors entered into the PIPE Share Subscription Agreements with the Company, pursuant to which the PIPE Investors have conditionally agreed to subscribe for and the Company has conditionally agreed to issue, an aggregate of 1,333,500 Subscription Shares at the Subscription Price, being an issue price identical to the Consideration Share Issue Price of US\$10.00, for an aggregate subscription price of US\$13,335,000.00 (equivalent to approximately HK\$104,013,000.00), substantially concurrently with (and subject to) completion of the Merger.

#### (A) Principal Terms of the PIPE Share Subscription Agreements

Summarised below are the principal terms of each of the PIPE Share Subscription Agreements:

##### *PIPE Share Subscription Agreement with Telemark Fund, LP*

<b>Date:</b>	3 April 2022
<b>Parties:</b>	(1) Company (2) Telemark Fund, LP
<b>Subscription Amount:</b>	US\$1,500,000.00 (equivalent to approximately HK\$11,700,000.00)
<b>Number of Subscription Shares:</b>	150,000, calculated by dividing the subscription amount of US\$1,500,000.00 by the Subscription Price of US\$10.00

Telemark Fund, LP is a limited partnership established in the State of Delaware, the United States and the investment advisor of which is Telemark Asset Management, LLC. The principal business activity of Telemark Fund, LP is investment holding. Telemark Fund, LP has a wide investor base with over 20 limited partners, most of whom are high-net-worth individuals.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Telemark Fund, LP and its ultimate beneficial owner are Independent Third Parties.

***PIPE Share Subscription Agreement with Kolon Industries, Inc***

**Date:** 3 April 2022

**Parties:** (1) Company  
(2) Kolon Industries, Inc

**Subscription Amount:** US\$2,000,000.00 (equivalent to approximately HK\$15,600,000.00)

**Number of Subscription Shares:** 200,000, calculated by dividing the subscription amount of US\$2,000,000.00 by the Subscription Price of US\$10.00

Kolon Industries, Inc is a company incorporated in the Republic of Korea with limited liability and its shares are listed on the Korea Exchange (KRX:120110). The principal business activity of Kolon Industries, Inc is manufacturing, with a focus on industrial materials, chemical, films/electronic materials and fashion.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Kolon Industries, Inc and its ultimate beneficial owner are Independent Third Parties.

***Subscription Agreement with Iron Spark Opportunity, LLC***

**Date:** 3 April 2022

**Parties:** (1) Company  
(2) Iron Spark Opportunity, LLC

**Subscription Amount:** US\$8,835,000.00 (equivalent to approximately HK\$68,913,000.00)

**Number of Subscription Shares:** 883,500, calculated by dividing the subscription amount of US\$8,835,000.00 by the Subscription Price of US\$10.00

Iron Spark Opportunity, LLC is a limited liability company established in the State of Delaware, the United States and the investment manager of which is Composite Ventures Group, LLC, the general partner of which is Joshua Lee Spear. Iron Spark Opportunity, LLC is an investment fund formed for the purpose of celebrity and family office investment into the Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Iron Spark Opportunity, LLC and its ultimate beneficial owner are Independent Third Parties.

## ***Subscription Agreement with IRONGREY***

<b>Date:</b>	3 April 2022
<b>Parties:</b>	(1) Company (2) IRONGREY
<b>Subscription Amount:</b>	US\$1,000,000.00 (equivalent to approximately HK\$7,800,000.00)
<b>Number of Subscription Shares:</b>	100,000, calculated by dividing the subscription amount of US\$1,000,000.00 by the Subscription Price of US\$10.00

IRONGREY is a company incorporated in the Republic of Korea with limited liability and is wholly-owned by SeAH Holdings Corp., the shares of which are listed on the Korea Exchange (KRX: 058650) and which is in turn beneficially owned as to approximately 35.12% by Mr. TaeSung Lee. The principal business activity of IRONGREY is holding of direct or indirect investments in portfolio companies.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, IRONGREY and its ultimate beneficial owner are Independent Third Parties.

Further summarised below are the other principal terms of the PIPE Share Subscription Agreements:

<b>Ranking of the Subscription Shares:</b>	The Subscription Shares, when allotted and issued, shall rank pari passu with all the other Consolidated Shares in issue as at the date of allotment and issue of such Subscription Shares on the closing date of the Merger.
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**Conditions Precedent:** Consummation of the transactions contemplated under the PIPE Share Subscription Agreements will be conditional upon the fulfillment, or waiver, of the following conditions precedent:

- the representations and warranties of the Company being true and correct in all respects as of the closing date of the Private Placement, except to the extent that the failure of such representations and warranties to be so true and correct would not reasonably be expected to have a material adverse effect on the Company's ability to consummate completion of the Private Placement;
- the representations and warranties of each of the PIPE Investors being true and correct in all respects as of the closing date of the Private Placement, except to the extent that the failure of such representations and warranties to be so true and correct would not reasonably be expected to prevent, materially delay, or materially impair the ability of the relevant PIPE Investor to comply in all material respects with the terms of the PIPE Share Subscription Agreements;
- material compliance with pre-closing covenants by the Company and each of the PIPE Investors except where the failure of such compliance with the pre-closing covenants would not or would not reasonably be expected to prevent, materially delay, or materially impair the ability of the Company or the relevant PIPE Investor to consummate completion of the Private Placement;
- the receipt of Shareholders' approval on the Specific Mandate for the issuance of the Subscription Shares to the PIPE Investors under the Private Placement; and
- the Company's listing application with the Listing Committee for the Subscription Shares being approved.

**Completion:** Subject to the satisfaction or waiver of the conditions precedent, completion of the Private Placement shall occur substantially concurrent with (and subject to) the completion of the Merger in accordance with the Merger Agreement.

In the event completion of the Private Placement does not occur within three (3) business days of the scheduled closing date, the Company shall promptly (but not later than two (2) business days thereafter) return the Subscription Price so delivered by the PIPE Investors to the Company by wire transfer.

**Other Covenants:** The Company shall file with the SEC, within 45 calendar days after the consummation of the transactions contemplated by the Merger Agreement, a registration statement covering the resale of the Subscription Shares and to use its commercially reasonable efforts to have such registration statement declared effective as soon as practicable after the filing thereof. The Company shall use commercially reasonable efforts to keep the registration statement effective until the earliest of: (i) two (2) years from the date of effectiveness of the registration statement; (ii) the date the PIPE Investors no longer hold any Subscription Shares; and (iii) the date all Subscription Shares held by the PIPE Investors may be sold without restriction under Rule 144 of the U.S. Securities Act.

The PIPE Investors also agreed to waive any claims that they may have at the completion of the Private Placement, or in the future, as a result of, or arising out of, the PIPE Share Subscription Agreements against Iron Spark with respect to the monies held in the Trust Account.

**Termination:** Termination shall occur upon the earliest to occur of (a) the termination of the Merger Agreement, (b) the mutual written agreement of the parties to each of the PIPE Share Subscription Agreements or (c) thirty (30) days after the Long Stop Date if the completion of the Private Placement has not occurred by such date other than as a result of a breach of PIPE Investors' obligations thereunder.

## **(B) Subscription Shares**

The Subscription Price of US\$10.00 per Subscription Share was determined following arm's-length negotiation between the Company and each of the PIPE Investors with reference to the prevailing market prices of the Shares as quoted on the Stock Exchange, the Consideration Share Issue Price and the Company Equity Value.

The Subscription Price of approximately HK\$78.00 per Subscription Share represents:

- a premium of approximately 40.67% over closing price of HK\$55.45 for every 68.4543077 Shares as quoted on the Stock Exchange for the last trading day immediately before the date of this announcement;
- a premium of approximately 42.08% over the average closing price of HK\$54.90 for every 68.4543077 Shares as quoted on the Stock Exchange for the 5 trading days immediately before the date of this announcement; and
- a premium of approximately 39.30% over the average closing price of HK\$56.00 for every 68.4543077 Shares as quoted on the Stock Exchange for the 10 trading days immediately before the date of this announcement.

*Note: For illustration purposes, the above comparisons to market prices of the Shares have taken into account the effect of the Share Consolidation.*

On the assumption that the Consolidation Ratio is 68.4543077, the Subscription Shares have an aggregate nominal value of HK\$912,838.19. Taking into account the expenses of the Private Placement in the amount of approximately US\$3.20 million (equivalent to approximately HK\$24.96 million), the net price per Subscription Share will be approximately US\$7.60 (equivalent to approximately HK\$59.28).

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate, which will be subject to Shareholders' approval at the EGM. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

From the date of the Merger Agreement through the earlier of the closing date of the Merger or the termination of the Merger Agreement in accordance with its terms and subject to compliance with the Listing Rules (including applicable shareholder approval requirements) and the Articles, the Company may enter into one or more Permitted Equity Subscription Agreements respectively with one or more investors in substantially the same form as the PIPE Share Subscription Agreements, pursuant to which such investor(s) will conditionally agree to subscribe for, and the Company will conditionally agree to issue, Consolidated Shares to the investor(s) concurrently with completion of the Merger.

**(C) Equity Fund-raising Activities of the Company in the past Twelve (12) Months**

Save for the fund-raising activities mentioned below, the Company has not conducted any equity fund-raising activities in the past twelve (12) months immediately preceding the date of this announcement.

<b>Date of announcement</b>	<b>Fund-raising activities</b>	<b>Net proceeds</b>	<b>Proposed use of the net proceeds</b>
25 March 2021	Issue of 6,533,397 Shares to Avex Entertainment Inc.	Approximately HK\$6,620,415.22	The Company intends to use the net proceeds for strategic collaborations and implementation of business plans with Avex Entertainment Inc. and general working capital of the Group.

As at the date of this announcement, the Company has utilised the proceeds as general working capital of the Group.

**(D) Use of Proceeds of the Private Placement**

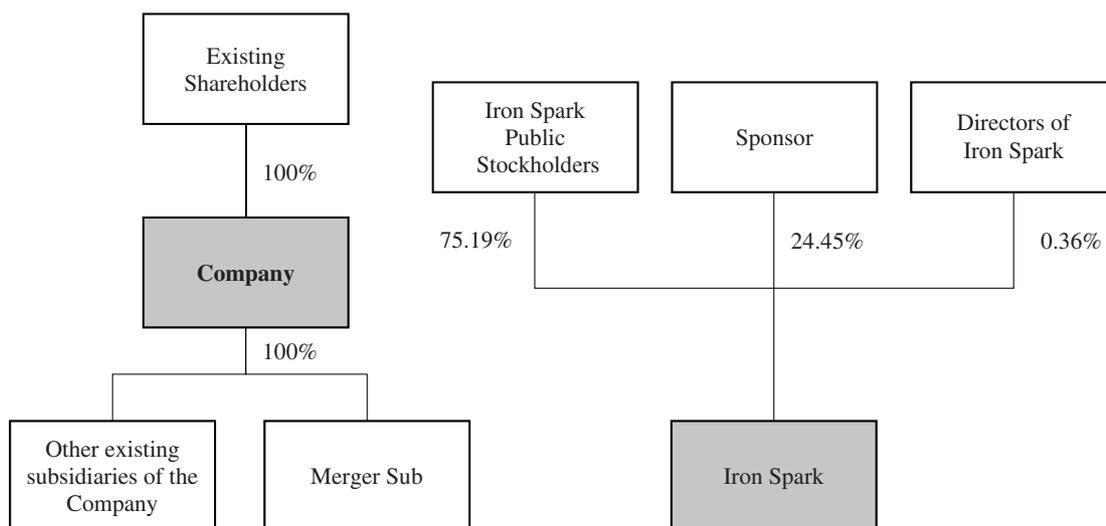
The gross proceeds and net proceeds from the PIPE Share Subscription Agreements are estimated to be approximately US\$13,335,000.00 (equivalent to approximately HK\$104,013,000.00) and US\$10,135,000.00 (equivalent to approximately HK\$79,053,000.00), respectively.

The Company intends to use the net proceeds from the Private Placement on (1) the investment in information technology and systems, (2) the enhancement of the Company’s omni-marketing channels, (3) the development and enrichment of the Company’s digital and editorial content, (4) the development of the Company’s regional hubs, (5) the expansion of its creative agency production capabilities, (6) the development of physical retail stores and media activation venues, and (7) general working capital purposes. Further details relating to the use of proceeds of the Private Placement, together with the intended use of capital held by Iron Spark after completion of the Merger, are set out below under the section headed “*Part A — Very Substantial Acquisition — Merger with Iron Spark — V. Reasons and Benefits of the Transactions*”.

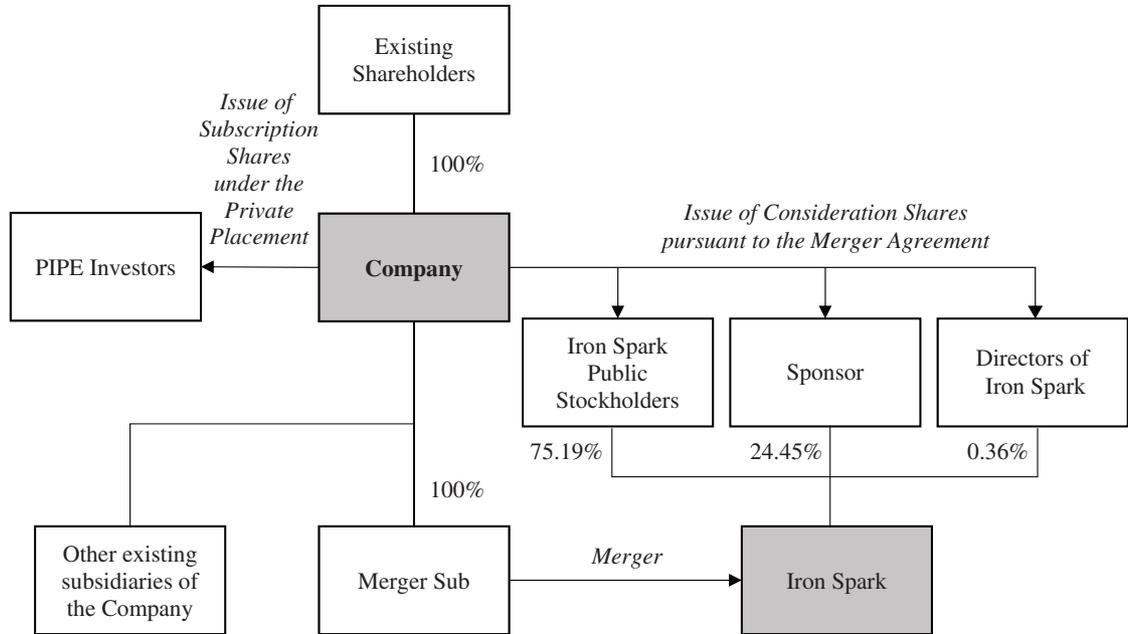
#### IV. SHAREHOLDING STRUCTURE OF THE COMPANY AND IRON SPARK

##### (A) Shareholding Structure

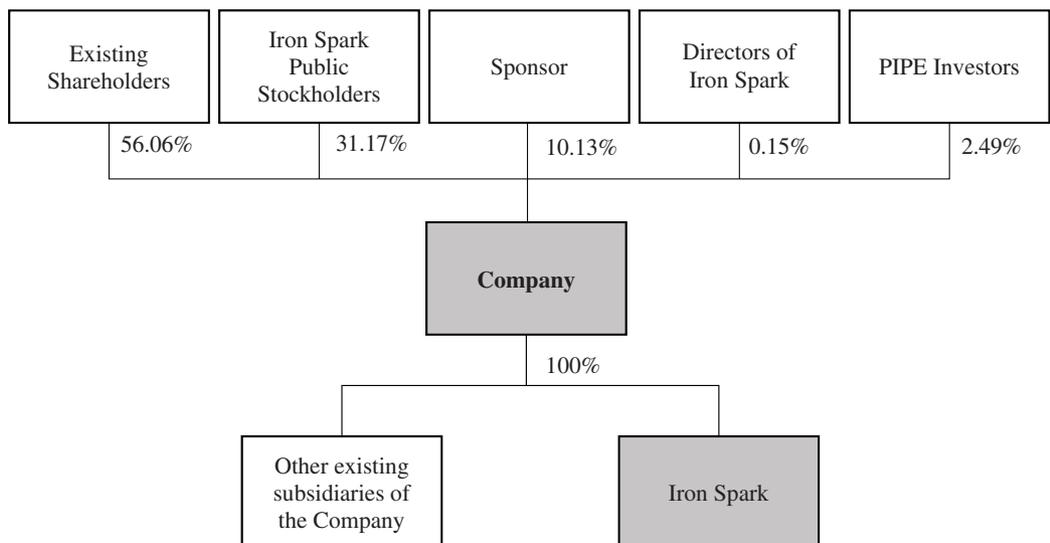
As at the date of this announcement, the shareholding structure of each of the Company and Iron Spark is as follows:



The following structure chart provides an illustration of the process of the Merger and the Private Placement upon the relevant effective time of the Transaction Agreements:



Immediately after completion of the Merger and the Private Placement (assuming that (i) no other Shares will be issued after the date of this announcement until completion of the Transactions, (ii) there will be no redemption of Iron Spark Shares by any eligible Iron Spark Public Stockholder, and (iii) Share Consolidation has become effective), it is anticipated that the shareholding structure of the Company will be as follows:



## (B) Shareholding Information

Set out below is the shareholding information of the Company before and after the allotment and issue of the maximum Consideration Shares and the Subscription Shares upon completion of the Transactions (assuming that (i) there is no change of the respective Shareholders' shareholding in the Company after the date of this announcement until the completion of the Transactions and (ii) there will be no redemption of Iron Spark Shares by any eligible Iron Spark Public Stockholder):

Name	As at the date of this announcement		Immediately upon completion of the Transactions	
	No. of Shares	Approximate percentage of issued share capital	No. of Consolidated Shares (Note 4)	Approximate percentage of issued share capital
CORE Capital (Note 1)	1,485,000,000	72.31%	21,693,302	40.54%
Sponsor	–	–	5,423,300	10.13%
<b>Public Shareholders</b>				
Iron Spark Public Stockholders	–	–	16,680,000	31.17%
Directors of				
Iron Spark (Note 2)	–	–	80,000	0.15%
PIPE Investors (Note 3)	–	–	1,333,500	2.49%
Other public Shareholders	568,629,231	27.69%	8,306,698	15.52%
<b>Sub-total of public Shareholders</b>	<u>568,629,231</u>	<u>27.69%</u>	<u>26,400,198</u>	<u>49.33%</u>
<b>Total</b>	<b><u>2,053,629,231</u></b>	<b><u>100.00%</u></b>	<b><u>53,516,800</u></b>	<b><u>100.00%</u></b>

### Notes:

1. CORE Capital is a controlled corporation of Mr. Ma Pak Wing Kevin, chairman, chief executive officer and executive Director of the Company.
2. Such directors include Ruma Bose, Amy Butte, Trevor A Edwards and Jay Margolis.
3. PIPE Investors include Telemark Fund, LP, Kolon Industries, Inc, Iron Spark Opportunity, LLC and IRONGREY.
4. The number of Consolidated Shares stated herein is calculated based on the assumption that (i) the Pre-Share Consolidation Share Number is 2,053,629,231 and (ii) the Share Consolidation will be implemented without considering the effect of any fractional Consolidated Shares as detailed under the section headed “Part A — Very Substantial Acquisition — Merger with Iron Spark — IX. Share Consolidation”.

## **V. REASONS AND BENEFITS OF THE TRANSACTIONS**

Over the past year, Covid-19-related disruptions in the first half of the financial year of 2021 resulted in a pent-up demand from brand partners for digital marketing services and an increase in unallocated market budgets. As a result, there was an increased demand for and spending in the Group's services in the second half of the financial year of 2021. The Company expects this increased demand and spending to continue at least over the next 12 to 18 months. As part of the Group's near-term business strategy, the Company intends to incorporate entities and expand its overseas business to certain Asia Pacific regions, including Singapore and Korea, in the coming financial year, which will require significant expenditure and cash by the Group. In the medium term, the Group's strategy requires significant investment to upgrade its core capabilities in technology, marketing, creative agency services, content production and physical retail as well as to develop its key overseas markets. In addition to regional expansion, the Company will redouble its ongoing strategy to increase the size and engagement of its media and social platform followings through expansion into adjacent topical categories. Such strategies include augmenting already launched topical editorial verticals such as watches, sports and art, and expansion into new adjacencies such as entertainment, food and the metaverse, among other subjects. Specifically, as an illustration to this approach and as a highlight to the opportunities in the metaverse market, the Group launched its first non-fungible token (NFT) art sale in 2021, which garnered positive reception. To further solidify its entrance and as a continuation of its metaverse initiatives, the Company intends to curate and seek new Web 3.0 and metaverse-linked opportunities within the next 12 months, including identifying and establishing relations with potential partners operating within the digital sphere, expanding its content strategy and focusing on related topics geared towards those market segments. Moreover, as part of the efforts to enhance the Group's existing re-commerce omni-channel marketing, the Company plans on expanding and strengthening content development pertaining to re-commerce to further broaden customer reach and capture demand. To that end, the Group will deploy resources to strengthen re-commerce marketing, content and infrastructure development (such as building distribution centers and networks for re-commerce) to ensure that re-commerce omni-channel experience and engagement is sustained.

Upon completion of the Merger, Iron Spark will become a wholly-owned subsidiary of the Company and the Company will in turn acquire the capital held by Iron Spark in the Trust Account, which is approximately US\$170.98 million (equivalent to approximately HK\$1.33 billion) as at the date of the Merger Agreement, and the final and actual amount of which to be available to the Company upon completion of the Merger is subject to adjustment as detailed under the section headed “*Part A — Very Substantial Acquisition — Merger with Iron Spark — II. Merger and Issue of Consideration Shares — (E) Payment out of the Trust Account*”. In particular, the Company contemplates that (i) the capital held by Iron Spark and (ii) the net proceeds from the Private Placement will be applied specifically in the following manner in the next 24 to 36 months:

<b>Intended use of proceeds</b>	<b>In millions (US\$)</b>	<b>As % of total</b>	<b>Notes reference</b>
Investment in information technology and systems	24.27	13.4%	(1)
Omni-channel marketing	24.27	13.4%	(2)
Digital content development	24.27	13.4%	(3)
Regional development	22.64	12.5%	(4)
Expansion of creative agency	22.64	12.5%	(5)
Physical store and venue development	21.01	11.6%	(6)
Working capital and other general corporate development	<u>42.02</u>	<u>23.2%</u>	(7)
<b>Total</b>	<b><u>181.12</u></b>	<b><u>100.0%</u></b>	<b>(8)</b>

*Notes:*

(1) *Investment in information technology and systems*

The Company plans to invest approximately 13.4% of the net proceeds in the development and upgrading of its IT systems in support of its digital media and editorial platforms, HBX e-commerce platform and its back-end platforms.

(2) *Omni-channel marketing*

The Company plans to allocate approximately 13.4% of the net proceeds to enhancing its brand image, content, digital, physical and other omni-marketing channels, to boost customer and user spending and to further extend its audience and consumer reach. The Company plans on investing in content and campaign ideation and production, brand positioning and communication, brand awareness campaigns and digital and performance marketing, as well as other forms of marketing and promotional tactics to expand and broaden its user-customer base and drive conversion of user-customers on its HBX e-commerce platform.

(3) *Digital content development*

The Company plans to allocate approximately 13.4% of the net proceeds for the development and enrichment of its editorial content, video, physical and other media channels, editorial verticals and the expansion into digital and social media platforms and content topics to appeal to new regions and demography.

(4) *Regional development*

The Company plans to allocate approximately 12.5% of the net proceeds for the development of regional hubs to support its growing businesses, particularly in East and Southeast Asia, the Middle East, Continental Europe and Latin and South America. The Company plans to continue developing its capabilities and its teams to expand its reach into regions of significant opportunity.

(5) *Expansion of creative agency*

The Company plans to allocate approximately 12.5% of the net proceeds to increasing its creative agency production capabilities by both increasing its ability to produce and service a larger volume of campaigns, as well as developing new creative agency products and services. Further, the Company plans to expand its scope of services to encompass additional agency services, such as campaign management, data analysis and insights, short- and long-form video production, media and product distribution and among other services. This expansion in capabilities requires investment to support its development, sales and marketing and ongoing operations.

(6) *Physical store and venue development*

The Company plans to allocate 11.6% of the net proceeds for investment in the development of physical retail stores and media activation venues to support the growing demand for its products and services and marketing of the Company's brand. The Company plans to open additional physical stores and activation venues in strategic, cultural locations around the world as part of its expansion initiatives.

(7) *Working capital and other general corporate development*

The Company plans to allocate approximately 23.2% of the net proceeds for general working capital purposes to support a broader base of business as the Company delivers on its expansion and business development initiatives.

(8) *The total amount of proceeds from the Merger and the Private Placement is calculated with the amount of available cash in the Trust Account as at the date of the Merger Agreement.*

In addition, the Transactions will bring various long-term strategic benefits to the Company as set forth below:

### **Dual-listing status of the Company**

The dual-listing status will give the Company access to additional capital and a wider investor base. The liquidity of the Company's shares will also be increased as trading takes place in multiple markets.

### **Expansion of the Company's Influence and Presence in North America**

The Company is working towards further expanding its business in North America, with its North American headquarters to be opened in New York City in the second half of 2022. Obtaining listing status on Nasdaq will also enhance the Company's public profile overseas and have a positive impact on the Company's overseas growth and expansion.

### **Synergy with the Management of Iron Spark**

The management team and independent directors of Iron Spark have decades of experience across the branded consumer sector. The Company will be able to (i) leverage Iron Spark's management team's and independent directors' core competencies and their extensive sector expertise and insight in athletics and sport-culture, apparel, e-commerce, wellness and lifestyle to accelerate its mission and business expansion strategy, and (ii) benefit from Iron Spark's management team's and independent directors' extensive operational and investing background, broad networks and experience in managing and innovating with global brands.

## **VI. DIRECTORS' VIEW**

The Directors are of the opinion that the terms of the Merger Agreement and the PIPE Share Subscription Agreements were determined after arm's-length negotiations and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## VII. INFORMATION OF THE PARTIES

### Information of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 September 2015. The principal activity of the Company is investment holding.

The Group's principal activities are the provision of advertising services to brand owners and advertising agencies on the Group's digital media platforms, and the sale of third-party branded clothing, shoes and accessories on the Group's e-commerce platform.

### Information of Merger Sub

Merger Sub is a corporation incorporated in the State of Delaware, the United States on 10 January 2022 and is a wholly-owned subsidiary of the Company. The principal activity of Merger Sub is investment holding.

### Information of Iron Spark

Iron Spark is a corporation incorporated in the State of Delaware, the United States on 22 January 2021 and is a special purpose acquisition company that is listed on Nasdaq (NASDAQ: ISAA). Iron Spark is a blank check company formed for the sole purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalisation, reorganisation or similar business combination with one or more businesses or entities. Iron Spark is primarily focused on transactions in the consumer brands industry and the principal activity of Iron Spark is entering into a transaction with a company in the consumer brands industry. As at the date of this announcement, the Sponsor holds approximately 24.45% of the total issued Iron Spark Shares, approximately 0.36% of the total issued Iron Spark Shares is owned by its directors and the remaining approximately 75.19% is held by public stockholders (the "**Iron Spark Public Stockholders**") who acquired Iron Spark Shares either (a) in the initial public offering of Iron Spark on 11 June 2021 or (b) through secondary trades after Iron Spark's initial public offering.

Independent directors of Iron Spark include Trevor A. Edwards, Jay Margolis, and Ruma Bose, who are qualified as "independent directors" as defined under the applicable Nasdaq listing standards and applicable SEC rules.

## **Information of the Sponsor**

The Sponsor is a Delaware limited liability company incorporated on 22 January 2021. The principal activity of the Sponsor is investment holding. Mr. Joshua Lee Spear and Mr. Alexander P. Oxman have voting and dispositive power over the securities owned by the Sponsor.

## **VIII. LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Transactions exceed 100%, the Transactions constitute a very substantial acquisition of the Company in accordance with Chapter 14 of the Listing Rules and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **IX. SHARE CONSOLIDATION**

As part of the Merger and immediately before completion of the Merger, the Board proposes to implement the Share Consolidation in accordance with the Consolidation Ratio (i.e., the quotient obtained by dividing (i) the Pre-Share Consolidation Share Number by (ii) the Company Equity Value divided by US\$10.00). Solely for illustration purpose and on the assumption that the Pre-Share Consolidation Share Number is 2,053,629,231 (i.e., the total number of issued Shares as at the close of business in Hong Kong on the Business Day prior to the date of this announcement), the Consolidation Ratio would be 68.4543077 (i.e., every 68.4543077 Shares will be consolidated into one (1) Consolidated Share).

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions being satisfied:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation and the Merger;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

Subject to the satisfaction of all of the above conditions, it is expected that the Share Consolidation will become effective one (1) clear Business Day after the date of the EGM.

### **Reasons of the Share Consolidation**

The main purpose and rationales for conducting the Share Consolidation is to implement the commercial agreement between parties to the Merger that the issue price of each Consideration Share is set at US\$10.00 per share, such that at closing of the Merger, the Iron Spark Shares will be exchanged for ordinary shares of the Company on a one-for-one basis. This is because the shares of class A common stock of Iron Spark were offered and sold by Iron Spark in its initial public offering at US\$10.00 per share, and such one-for-one share exchange will facilitate a straightforward understanding of the Transactions by the existing public shareholders of Iron Spark who will receive the Consolidated Shares of the Company as consideration for the Merger, which also reflects a consistent approach taken in other similar merger transactions by a special purpose acquisition company. The Share Consolidation is also for the purpose of the Company's compliance with Nasdaq's minimum bid price requirement, pursuant to which securities listed on Nasdaq is required to maintain a minimum bid price of US\$1.00 per share. In addition, the Share Consolidation is also required to satisfy the listing requirements of Nasdaq; one of the initial listing criteria is a minimum share price of US\$4.0. Given the Company's current share price, the Share Consolidation is necessary to achieve a price of US\$4.0 per share. After the listing on Nasdaq, the Company needs to maintain a minimum trading price of US\$1.0 going forward.

### **Effects of the Share Consolidation**

As at the date of this announcement, 2,053,629,231 Shares have been allotted and issued, and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, not less than 30,000,000 Consolidated Shares will be in issue.

The Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares. Immediately after completion of the Share Consolidation, and on the assumption that the Consolidation Ratio is 68.4543077, the nominal value of the Consolidated Shares will be HK\$0.68 per Consolidated Share.

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated total asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Group or the interests of the Shareholders as a whole, save for any fractional Consolidated Shares (if any) to which the Shareholders would otherwise be entitled. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next twelve (12) months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and save for the Private Placement, the Company currently does not have any concrete plan to conduct any fundraising activities in the next twelve (12) months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fundraising exercises when suitable fundraising opportunities arise in order to support future development of the Group.

### **Status of the Consolidated Shares**

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other, and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

## **Board Lot Size**

The Shares are currently traded in board lots of 2,500 Shares each and the market value per board lot of the Shares is HK\$2,025.00, based on the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the last trading day immediately before the date of this announcement.

Upon the Share Consolidation becoming effective, the board lot size will remain the same and the Consolidated Shares will be traded in board lots of 2,500 Consolidated Shares and the theoretical market value per board lot of the Consolidated Shares will be HK\$138,619.97, based on the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the last trading day immediately before the date of this announcement.

## **Listing Application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

As at the date of this announcement, none of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange. It is intended that listing of and permission to deal in the Consolidated Shares on Nasdaq will be sought as part of the Merger.

## **Adjustments in relation to Other Securities of the Company**

As at the date of this announcement, there are outstanding share options for subscription of an aggregate of 57,808,332 underlying Shares under the share option schemes of the Company. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the outstanding share options. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into any Shares or Consolidated Shares.

## **Fractional Entitlement to Consolidated Shares**

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to Shareholders, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

In addition, pursuant to the Merger Agreement, no fraction of a Consolidated Share will be issued by virtue of the Share Consolidation, and each Shareholder that would otherwise be so entitled to a fraction of a Consolidated Share (after aggregating all fractional Consolidated Shares that otherwise would be received by such Shareholder) shall instead be entitled to receive such number of Consolidated Shares to which such Shareholder would otherwise be entitled, rounded down to the nearest whole number.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

## **Odd Lots Trading Arrangement**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Sorrento Securities Limited to provide matching services, on a best-effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

## **Expected Timetable**

The expected timetable for the implementation of the Share Consolidation will be included in the circular to be despatched to the Shareholders.

## **X. CANCELLATION OF THE LEVEL 1 AMERICAN DEPOSITARY RECEIPT PROGRAM**

Reference is made to the announcement of the Company dated 5 February 2021 in relation to the establishment of a sponsored Level 1 American Depositary Receipt Program. Upon completion of the Merger, the Company will become listed for trading on the Stock Exchange and Nasdaq. Since the dual-listing status will increase liquidity of the Consolidated Shares in the United States and provide broader access to the U.S. capital market, the Company will cancel its sponsored Level 1 American Depositary Receipt Program established by the Company with effect from 16 February 2021, prior to the completion of the Merger.

## **PART B — GENERAL**

### **I. CIRCULAR**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, (i) the Merger; (ii) the Specific Mandate for the issue of Consideration Shares and Subscription Shares; and (iii) the Share Consolidation.

**Pursuant to Rule 14.60(7) of the Listing Rules, a circular containing, among other things, (i) further details of (a) the very substantial acquisition in connection with the Merger; (b) the Specific Mandate for the issue of Consideration Shares and Subscription Shares; and (c) the Share Consolidation; and (ii) the notice of the EGM shall be despatched within fifteen (15) Business Days after publication of this announcement. As more time is required to prepare the financial information to be included in the circular, the circular is expected to be despatched to the Shareholders on or before 31 July 2022. Shareholders and potential investors should refer to the circular for further details of the Merger, the Private Placement, the Share Consolidation and other matters.**

**The Transactions may or may not proceed or become unconditional or effective. There is no assurance that all the conditions precedent contained in the Transaction Agreements can be satisfied. Shareholders and potential investors should exercise caution, and should not only rely on information published by the Company, when dealing, or contemplating dealing, in the Shares.**

### **II. OTHER ARRANGEMENTS**

#### **(A) Registration Rights Agreement**

Concurrently with the execution of the Merger Agreement, the Company, Iron Spark, the Sponsor and all the directors and officers of Iron Spark entered into a registration rights agreement (the “**Registration Rights Agreement**”), pursuant to which, among other things, the Company agreed to undertake certain resale registration obligations in accordance with the U.S. Securities Act, and the Sponsor and the directors and officers of Iron Spark who hold the Iron Spark Shares have been granted customary registration entitlement rights to include the relevant portion of the Consideration Shares held by them in a registration initiated by the Company.

The Registration Rights Agreement shall terminate upon termination of the Merger Agreement.

## **(B) Sponsor Support Agreement**

Concurrently with the execution of the Merger Agreement, the Sponsor, the Company, Iron Spark and all the directors and officers of Iron Spark entered into a Sponsor support agreement (the “**Sponsor Support Agreement**”), pursuant to which each of the Sponsor and the directors and officers of Iron Spark has agreed to, among other things, (i) exercise the voting rights attached to Iron Spark Shares held by them to (a) vote in favour of the transactions contemplated by the Merger Agreement and the other Transaction Agreements and the related transaction proposals and (b) vote against any proposal that would or would be reasonably likely to in any material respect impede the transactions contemplated by the Merger Agreement and the other Transaction Agreements or any related transaction proposals; (ii) not transfer any Iron Spark Shares until termination of the Sponsor Support Agreement; (iii) waive or not otherwise exercise any anti-dilution or similar protection that would require Iron Spark to issue additional Iron Spark Shares; and (iv) not elect to have any Iron Spark Shares redeemed in connection with the Merger.

The Sponsor Support Agreement shall terminate upon the earlier of (i) the time when the Merger becomes effective and (ii) the termination of the Merger Agreement.

## **(C) Shareholder Support Agreement**

Concurrently with the execution of the Merger Agreement, Iron Spark, the Company and CORE Capital entered into a shareholder support agreement (the “**Shareholder Support Agreement**”), pursuant to which CORE Capital has agreed to, among other things, (i) vote all Shares held by CORE Capital in favour of the transactions contemplated by the Merger Agreement and the other Transaction Agreements and the related transaction proposals; (ii) vote against any proposal that would or would be reasonably likely to in any material respect impede the transactions contemplated by the Merger Agreement and the other Transaction Agreements or any related transaction proposals; and (iii) not transfer any Shares until termination of the Shareholder Support Agreement.

The Shareholder Support Agreement shall terminate upon the earlier of (i) the time when the Merger becomes effective and (ii) the termination of the Merger Agreement.

**(D) Sponsor Lock-up Agreement**

Concurrently with the execution of the Merger Agreement, Iron Spark, the Sponsor, the Company and all the directors and officers of Iron Spark entered into a Sponsor lock-up agreement (the “**Sponsor Lock-up Agreement**”), pursuant to which each of the Sponsor and the directors and officers of Iron Spark who own Iron Spark Shares has agreed, among other things and subject to certain exemptions, not to transfer, pledge or otherwise dispose of the Iron Spark Shares and the Consolidated Shares into which their Iron Spark Shares will be converted upon completion of the Merger (the “**Sponsor Lock-up Shares**”) during the period commencing on the closing date of the Merger and ending on the date that is the three (3)-year anniversary of the closing date of the Merger (the “**Sponsor Lock-up Period**”), provided that (i) one-third (1/3) of the Sponsor Lock-up Shares shall be released from the Sponsor Lock-up Period on the one (1)-year anniversary of the closing date of the Merger (the “**Sponsor Initial Release Date**”); (ii) with respect to the remainder of the Sponsor Lock-up Shares, an additional 1/24 of such Sponsor Lock-up Shares shall be released from the Sponsor Lock-up Period on each monthly anniversary of the Sponsor Initial Release Date; and (iii) in the event that, after the closing date of the Merger, there is an event or events resulting in the change of control of the Company, then upon consummation of such events, all Sponsor Lock-up Shares shall be released from the restrictions set forth in the Sponsor Lock-up Agreement.

**(E) Shareholder Lock-up Agreement**

Concurrently with the execution of the Merger Agreement, the Company and CORE Capital entered into a shareholder lock-up agreement (the “**Shareholder Lock-up Agreement**”), pursuant to which CORE Capital has agreed, among other things and subject to certain exemptions, not to transfer, pledge or otherwise dispose of the Shares or Consolidated Shares (as the case may be) (the “**Shareholder Lock-up Shares**”) during the period commencing on the closing date of the Merger and ending on the date that is the one (1)-year anniversary of the closing date of the Merger (the “**Shareholder Lock-Up Period**”), provided that (i) the Shareholder Lock-up Period shall terminate with respect to 50% of the Shareholder Lock-up Shares on the date that the last reported sale price of the Shares or Consolidated Shares (as the case may be) equals or exceeds US\$15.00 per share for any 20 trading days within any 30-trading day period commencing at least 150 days after the closing date of the Merger; (ii) 15% of the Consolidated Shares owned by CORE Capital immediately after completion of the Merger shall be exempt from any lock-up restrictions contained therein (the “**Exempt**

**Transfer**”); (iii) CORE Capital may also transfer any Shares or Consolidated Shares (as the case may be) to Ms. Lee Yuen Tung Janice without subject to any lock-up restrictions contained in the Shareholder Lock-up Agreement; and (iv) in the event that, after the closing date of the Merger, there is an event or events resulting in the change of control of the Company, then upon consummation of such events, all Shareholder Lock-up Shares shall be released from the restrictions set forth in the Shareholder Lock-up Agreement.

## **(F) Investor Presentation**

The Company has prepared the Investor Presentation, for use in connection with the Merger and the Private Placement as set out in Appendix I to this announcement, which contains an estimation on the revenue of the Group for the financial year ended 31 March 2022, which constitutes a profit forecast under Rule 14.61 of the Listing Rules (the “**Revenue Estimate**”), on the bases and assumptions set out below.

### **Bases and Assumptions for Determining the Revenue Estimate**

The Revenue Estimate has been prepared by the Directors with reference to the unaudited consolidated revenue of the Group for the eleven (11) months ended 28 February 2022 and an estimate of the consolidated revenue of the Group for the remaining one (1) month ended 31 March 2022 based on the contracts and where appropriate, letters of intent and established business pattern as at the date of the Investor Presentation. The Revenue Estimate only covers the period from 1 April 2021 to 31 March 2022. The Revenue Estimate has also been prepared on a basis consistent in all material respects with the accounting policies adopted by the Group.

The Revenue Estimate has been prepared on the basis of the following principal bases and assumptions:

- there will be no material changes in the political, legal, fiscal, market or economic conditions in the territories in which the Group currently operates;
- there will be no changes in legislation, regulations or rules in the territories in which the Group currently operates or in any other territory with which the Group has arrangements or agreements, which may materially adversely affect the Group’s businesses or operations;

- there will be no material changes in inflation rates, interest rates or exchange rates from those currently prevailing in the context of the Group's operations;
- there will be no material changes in the applicable tax rates, surcharges or other government levies in the territories in which the Group operates;
- no material adverse incidents will occur during the forecast period which are outside the control of the Directors;
- there will be no wars, military incidents, pandemic diseases, or natural disasters that will have a material impact on the Group's businesses and operating activities; and
- the Revenue Estimate has been prepared based on the Group's business plan and is consistent with historical trends and demonstrated performance. The Company has assumed that the Group will continue to operate throughout the forecast period.

The Revenue Estimate included in the Investor Presentation is based on a number of assumptions, which are set out above. Shareholders and prospective investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast and projected as stated in this announcement are to be expected.

The Revenue Estimate of the Company should be read in conjunction with the letters from Deloitte Touche Tohmatsu, the reporting accountants of the Company, and the Board set out in Appendix II and Appendix III to this announcement, respectively.

### **Confirmation**

Deloitte Touche Tohmatsu, the reporting accountant of the Company, has performed work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Revenue Estimate in accordance with the bases and assumptions adopted by the Directors and as to whether the Revenue Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. The Directors confirm that the Revenue Estimate has been made after due and careful enquiry. A report from Deloitte Touche Tohmatsu and a letter from the Board have been submitted to the Stock Exchange, and are included in Appendices II and III to this announcement pursuant to Rules 14.60A and 14.62 of the Listing Rules.

## **Expert and Consent**

Set out below are the qualification and the identity of the expert who has given its opinion and advice included in this announcement.

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Deloitte Touche Tohmatsu does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group. As such, Deloitte Touche Tohmatsu is an Independent Third Party.

Deloitte Touche Tohmatsu has given and has not withdrawn its consent to the publication of this announcement with inclusion of its letter or opinion and all reference to its name in the form and context in which it appears.

## **DEFINITIONS**

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Articles”	the memorandum and articles of association of the Company
“Assumptions”	has the meaning ascribed to it under the section headed “ <i>Part A — Very Substantial Acquisition — Merger with Iron Spark — II. Merger and Issue of Consideration Shares — (B) Basis of Consideration</i> ”

“Available Closing Cash Amount”	an amount equal to (i) the lower of (a) all amounts in the Trust Account immediately prior to completion of the Merger or (b) the product of US\$10.00 <i>multiplied</i> by the aggregate number of all Non-Redeeming Iron Spark Shares, <i>plus</i> (ii) the aggregate amount of cash that has been funded to, or that will be funded immediately prior to or concurrently with the completion of the Merger to, the Company pursuant to the PIPE Share Subscription Agreements <i>plus</i> (iii) the cash proceeds to be funded immediately prior to or concurrently with completion of the Merger to the Company pursuant to the Permitted Equity Subscription Agreements
“Board”	the board of Directors
“Business Day”	any day (other than statutory holiday) on which the Stock Exchange is open for business to deal in securities
“C(WUMP)O”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Hypebeast Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed and traded on the main board of the Stock Exchange (stock code: 00150)
“Company Equity Value”	the pre-Merger consolidated equity value of the Company of US\$300,000,000
“Consideration Shares”	based on the Assumptions, up to 22,183,300 Consolidated Shares to be issued to the Iron Spark Public Stockholders, the Sponsor and directors of Iron Spark who own Iron Spark Shares upon completion of the Merger, pursuant to the Merger Agreement

“Consideration Share Issue Price”	has the meaning ascribed to it under the section headed “ <i>Part A — Very Substantial Acquisition — Merger with Iron Spark — II. Merger and Issue of Consideration Shares — (A) Principal Terms of the Merger Agreement</i> ”
“Consolidated Share(s)”	ordinary share(s) of the Company immediately after the Share Consolidation becoming effective
“Consolidation Ratio”	the quotient obtained by dividing (i) the Pre-Share Consolidation Share Number by (ii) the Company Equity Value divided by US\$10.00
“CORE Capital”	CORE Capital Group Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company for the purpose of approving the Merger, the Specific Mandate and the Share Consolidation
“Exempt Transfer”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (E) Shareholder Lock-up Agreement</i> ”
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
“Investor Presentation”	the investor presentation dated 3 April 2022 as set out in Appendix I to this announcement
“Iron Spark”	Iron Spark I Inc., a corporation incorporated in the State of Delaware, the United States on 22 January 2021 and a special purpose acquisition company, which is listed on Nasdaq (NASDAQ: ISAA)
“Iron Spark Public Stockholders”	has the meaning ascribed to it under the section headed “ <i>Part A — Very Substantial Acquisition — Merger with Iron Spark — VII. Information of the Parties</i> ”
“Iron Spark Shares”	the shares of common stocks of Iron Spark
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Committee”	listing committee of the Stock Exchange
“Long Stop Date”	has the meaning ascribed to it under the section headed “ <i>Part A — Very Substantial Acquisition — Merger with Iron Spark — II. Merger and Issue of Consideration Shares — (A) Principal Terms of the Merger Agreement</i> ”
“Merger”	the merger of Merger Sub with and into Iron Spark, with Iron Spark being the surviving entity in the merger, pursuant to the Merger Agreement. Upon completion of such merger, Iron Spark will become a wholly-owned subsidiary of the Company
“Merger Agreement”	the agreement and plan of merger dated 3 April 2022, entered into between the Company, Iron Spark and the Merger Sub

“Merger Sub”	Hypebeast WAGMI Inc., a corporation incorporated in the State of Delaware, the United States on 10 January 2022 and a wholly-owned subsidiary of the Company
“Nasdaq”	Nasdaq Capital Market LLC
“Non-Redeeming Iron Spark Shares”	has the meaning ascribed to it under the section headed “ <i>Part A — Very Substantial Acquisition — Merger with Iron Spark — II. Merger and Issue of Consideration Shares — (E) Payment out of the Trust Account</i> ”
“Permitted Equity Subscription Agreement”	a subscription agreement to be entered into by and between an investor and the Company after the date of the Merger Agreement in substantially the same form as the PIPE Share Subscription Agreements, pursuant to which such investor will conditionally agree to purchase for cash Consolidated Share from the Company on the closing date of the Merger and concurrently with the completion of the Merger
“PIPE Investors”	Telemark Fund, LP, Kolon Industries, Inc, Iron Spark Opportunity, LLC and IRONGREY each a “PIPE Investor”
“PIPE Share Subscription Agreements”	the share subscription agreements dated 3 April 2022 entered into between the Company and each of the PIPE Investors, each a “PIPE Share Subscription Agreement”
“Pre-Share Consolidation Share Number”	the total number of Shares issued and outstanding as of the close of business in Hong Kong on the Business Day prior to the date on which the Share Consolidation occurs
“Private Placement”	subscription of Subscription Shares by the PIPE Investors pursuant to the PIPE Share Subscription Agreements, at the Subscription Price for an aggregate subscription price of US\$13,335,000.00
“Registration Rights Agreement”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (A) Registration Rights Agreement</i> ”

“Revenue Estimate”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (F) Investor Presentation</i> ”
“SEC”	the U.S. Securities and Exchange Commission
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“Shareholder(s)”	holder(s) of the Share(s) or the Consolidated Shares, as appropriate
“Share Consolidation”	the proposed consolidation of every issued and unissued Shares of HK\$0.01 each in the share capital of the Company according to the Consolidation Ratio
“Shareholder Lock-up Agreement”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (E) Shareholder Lock-up Agreement</i> ”
“Shareholder Lock-up Period”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (E) Shareholder Lock-up Agreement</i> ”
“Shareholder Lock-up Shares”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (E) Shareholder Lock-up Agreement</i> ”
“Shareholder Support Agreement”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (C) Shareholder Support Agreement</i> ”
“Specific Mandate”	the specific mandate for the allotment and issue of the Consideration Shares and the Subscription Shares, which is subject to approval by the Shareholders at the EGM
“Sponsor”	Iron Spark I LLC, a Delaware limited liability company incorporated on 22 January 2021

“Sponsor Initial Release Date”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (D) Sponsor Lock-up Agreement</i> ”
“Sponsor Lock-up Agreement”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (D) Sponsor Lock-up Agreement</i> ”
“Sponsor Lock-up Period”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (D) Sponsor Lock-up Agreement</i> ”
“Sponsor Lock-up Shares”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (D) Sponsor Lock-up Agreement</i> ”
“Sponsor Support Agreement”	has the meaning ascribed to it under the section headed “ <i>Part B — General — II. Other Arrangements — (B) Sponsor Support Agreement</i> ”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	US\$10.00 per Subscription Share
“Subscription Shares”	Consolidated Shares to be allotted and issued to the PIPE Investors upon completion of the Private Placement
“Transactions”	the Merger, the Private Placement and the Share Consolidation
“Transaction Agreements”	the Merger Agreement, the PIPE Share Subscription Agreements, the Registration Rights Agreement, the Sponsor Support Agreement, the Sponsor Lock-up Agreement, the Shareholder Support Agreement, the Shareholder Lock-up Agreement and other ancillary agreements thereof

“Trust Account”	has the meaning ascribed to it under the section headed “Part A — Very Substantial Acquisition — Merger with Iron Spark — II. Merger and Issue of Consideration Shares — (D) Redemption Rights of Iron Spark Public Stockholders”
“United States” or “U.S.”	the United States of America
“U.S. Securities Act”	United States Securities Act of 1933, as amended from time to time
“US\$”	US dollars, the lawful currency of the United States
“%”	per cent

*For the purposes of this announcement, the exchange rate of US\$1.00 = HK\$7.80 has been used, where applicable, for illustration purposes only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.*

By Order of the Board  
**Hypebeast Limited**  
**Ma Pak Wing Kevin**  
*Chairman*

Hong Kong, 3 April 2022

*As at the date of this announcement, the executive Directors are Mr. Ma Pak Wing Kevin and Ms. Lee Yuen Tung Janice; and the independent non-executive Directors are Ms. Kwan Shin Luen Susanna, Ms. Poon Lai King and Mr. Wong Kai Chi.*

**APPENDIX I**

**INVESTOR PRESENTATION DATED 3 APRIL 2022**

# HYPEBEAST

## Investor Presentation

March 2022



# Disclaimer

This presentation is provided for informational purposes only and has been prepared to assist interested parties in making their own evaluation with respect to a potential business combination (the “proposed business combination”) between Hypebeast Hong Kong Ltd. (“Hypebeast” or the “Company”) and Iron Spark Inc. (“Iron Spark”) and related transactions and for no other purpose. No representations or warranties, express or implied are given in, or in respect of, this presentation. To the fullest extent permitted by law in no circumstances will Hypebeast, Iron Spark or any of their respective subsidiaries, stockholders, affiliates, representatives, partners, directors, officers, employees, advisers or agents be responsible or liable for any direct, indirect or consequential loss or loss of profit arising from the use of this presentation, its contents, its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith. Industry and market data used in this presentation have been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. Neither Hypebeast nor Iron Spark has independently verified the data obtained from these sources and cannot assure you of the data’s accuracy or completeness. This data is subject to change. In addition, this presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of Hypebeast or the proposed business combination. Viewers of this presentation should each make their own evaluation of Hypebeast and of the relevance and adequacy of the information and should make such other investigations as they deem necessary. The information in this presentation is highly confidential. The distribution of this presentation by an authorized recipient to any other person is unauthorized. Any photocopying, disclosure, reproduction or alteration of the contents of this presentation and any forwarding of a copy of this presentation or any portion of this presentation to any person is prohibited. The recipient of this presentation shall keep this presentation and its contents confidential, shall not use this presentation and its contents for any purpose other than as expressly authorized by Hypebeast and Iron Spark and shall be required to return or destroy all copies of this presentation or portions thereof in its possession promptly following request for the return or destruction of such copies. By accepting delivery of this presentation, the recipient is deemed to agree to the foregoing confidentiality requirements. This presentation contains trademarks, service marks, trade names and copyrights of Hypebeast, Iron Spark and other companies, which are the property of their respective owners.

## Forward Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of financial and performance metrics, projections of market opportunity and market share. These statements are based on various assumptions, whether or not identified in this presentation, and on the current expectations of Hypebeast’s and Iron Spark’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual

events and circumstances are beyond the control of Hypebeast and Iron Spark. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political and legal conditions; the inability of the parties to successfully or timely consummate the proposed business combination, including the risk that any required regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the proposed business combination or that the approval of the stockholders of Iron Spark or Hypebeast is not obtained; failure to realize the anticipated benefits of the proposed business combination; risks relating to the uncertainty of the projected financial information with respect to Hypebeast; the effects of competition on Hypebeast’s future business; the amount of redemption requests made by Iron Spark’s public stockholders; the ability of Iron Spark or the combined company to issue equity or equity-linked securities in connection with the proposed business combination or in the future, and those factors discussed in Iron Spark’s final prospectus dated June 8, 2021 under the heading “Risk Factors,” and other documents of Iron Spark filed, with the Securities and Exchange Commission (“SEC”). If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that neither Iron Spark nor Hypebeast presently know or that Iron Spark and Hypebeast currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Iron Spark’s and Hypebeast’s expectations, plans or forecasts of future events and views as of the date of this presentation. Iron Spark and Hypebeast anticipate that subsequent events and developments will cause Iron Spark’s and Hypebeast’s assessments to change. However, while Iron Spark and Hypebeast may elect to update these forward-looking statements at some point in the future, Iron Spark and Hypebeast specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing Iron Spark’s and Hypebeast’s assessments as of any date subsequent to the date of this presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

## Use of Projections

This presentation contains projected financial information with respect to Hypebeast, namely revenue, and EBITDA for Hypebeast’s fiscal years ending March 31, 2022 through March 31, 2023. Such projected financial information constitutes forward-looking information, and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such projected financial information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See “Forward-Looking Statements” above. Actual results may differ materially from the results contemplated by the projected financial information contained in this presentation, and the inclusion of such information in this presentation should not be regarded as a representation by any person that the results reflected in such projections will be achieved. Neither the independent auditors of Iron Spark nor the independent registered public accounting firm of Hypebeast, audited, reviewed, compiled, or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation.

# Disclaimer

## **Financial Information; Non-GAAP Financial Measures**

The financial information and data contained in this presentation is unaudited and does not conform to Regulation S-X. Accordingly, such information and data may not be included in, may be adjusted in or may be presented differently in, any proxy statement, registration statement, or prospectus to be filed by Iron Spark with the SEC. While Hypebeast's financial information was historically prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), some financial information and data contained in this presentation are not measures prepared in accordance with HKFRS, United States generally accepted accounting principles ("US GAAP") or International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS"). EBIT is a non-HKFRS, non-US GAAP and non-IFRS financial measure that Hypebeast defines as Operating Income plus depreciation and amortization. Iron Spark and Hypebeast believe this non-GAAP measure of financial results provides useful information to management and investors regarding certain financial and business trends relating to Hypebeast's financial condition and results of operations and an additional tool for investors to use in evaluating projected operating results and trends in and in comparing Hypebeast's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Hypebeast management does not consider this non-GAAP measure in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of this non-GAAP financial measure is that it excludes significant expenses and income that is required by GAAP to be recorded in Hypebeast's financial statements. In addition, it is subject to inherent limitations as it reflects the exercise of judgments by management about which expense and income items are excluded or included in determining this non-GAAP financial measures. In order to compensate for these limitations, management presents this measure (EBIT) with the most closely related GAAP result (net income). In addition, all Hypebeast historical financial information included herein is preliminary and subject to change pending finalization of the fiscal year 2019 and 2020 audits of Hypebeast in accordance with PCAOB auditing standards.

## **Additional Information and Where to Find It**

In connection with the transaction described herein, Hypebeast and Iron Spark will file relevant materials with the SEC, including the Registration Statement on Form F-4 and a proxy statement. The proxy statement and a proxy card will be mailed to stockholders of Iron Spark as of a record date to be established for voting at the stockholders' meeting relating to the proposed transactions. Stockholders will also be able to obtain a copy of the Registration Statement on Form F-4 and proxy statement without charge from Hypebeast and Iron Spark. The Registration Statement on Form F-4 and proxy statement, once available, may also be obtained without charge at the SEC's website at [www.sec.gov](http://www.sec.gov) or by writing to Hypebeast at Hypebeast Limited, 40/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. INVESTORS AND SECURITY HOLDERS OF IRON SPARK I ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO)

AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE TRANSACTIONS THAT IRON SPARK WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT IRON SPARK, Hypebeast AND THE TRANSACTIONS.

## **Participants in Solicitation**

Hypebeast, Iron Spark, certain shareholders of Iron Spark, and their respective directors, executive officers and employees and other persons may be deemed to be participants in the solicitation of proxies from the holders of Iron Spark common stock in respect of the proposed transaction. Information about Iron Spark's directors and executive officers and their ownership of Iron Spark I common stock is set forth in Iron Spark I's Registration Statement on Form S-1 filed with the SEC. Other information regarding the interests of the participants in the proxy solicitation will be included in the proxy statement pertaining to the proposed transaction when it becomes available. These documents can be obtained free of charge from the sources indicated above.

## **No Offer or Solicitation**

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act, or an exemption therefrom.

# Iron Spark I

**A consumer focused SPAC sponsored by brand, marketing and technology experts, as well as seasoned private and public market investors.**

Forces within technology, culture and commerce are colliding to create large scale disruption and opportunity across the branded consumer landscape

Iron Spark I seeks to identify a breakthrough company where we can leverage our experience and expertise to accelerate its inflection

# Presenters & Senior Leadership

## Hypebeast



**Kevin Ma**  
Founder & CEO

Overall Management,  
Business Direction  
and Strategy



**Patrick Wong**  
CFO

Delivering  
Operations-Focused  
Finance Solutions

## Iron Spark I



**Josh Spear**  
CEO  
Former Co-Founder  
Undercurrent

Media Development,  
Agency Building,  
Brand Relationships



**Trevor Edwards**  
Director  
Former President  
NIKE

Key Brand &  
Influencer  
Relationships



**Xander Oxman**  
COO  
Co-Founder, Former  
CEO Winc

Seasoned  
eCommerce  
Operator



**Amy Butte**  
Chairperson  
Former CFO NYSE

Experienced Public  
Company Board  
Member and Advisor

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# Introduction



# Hypebeast lives at the center of the cultural zeitgeist.

*"If you've ever wondered why people wait in line for days in front of a sneaker shop. Or why a skater architect was at the helm of Louis Vuitton. Or why a rapper is now a billionaire brand owner? You need to look no further than Hypebeast.*

Hypebeast dominates the one-time subculture that is now fully POP culture."

**Jeff Staple**  
Iron Spark I Advisor



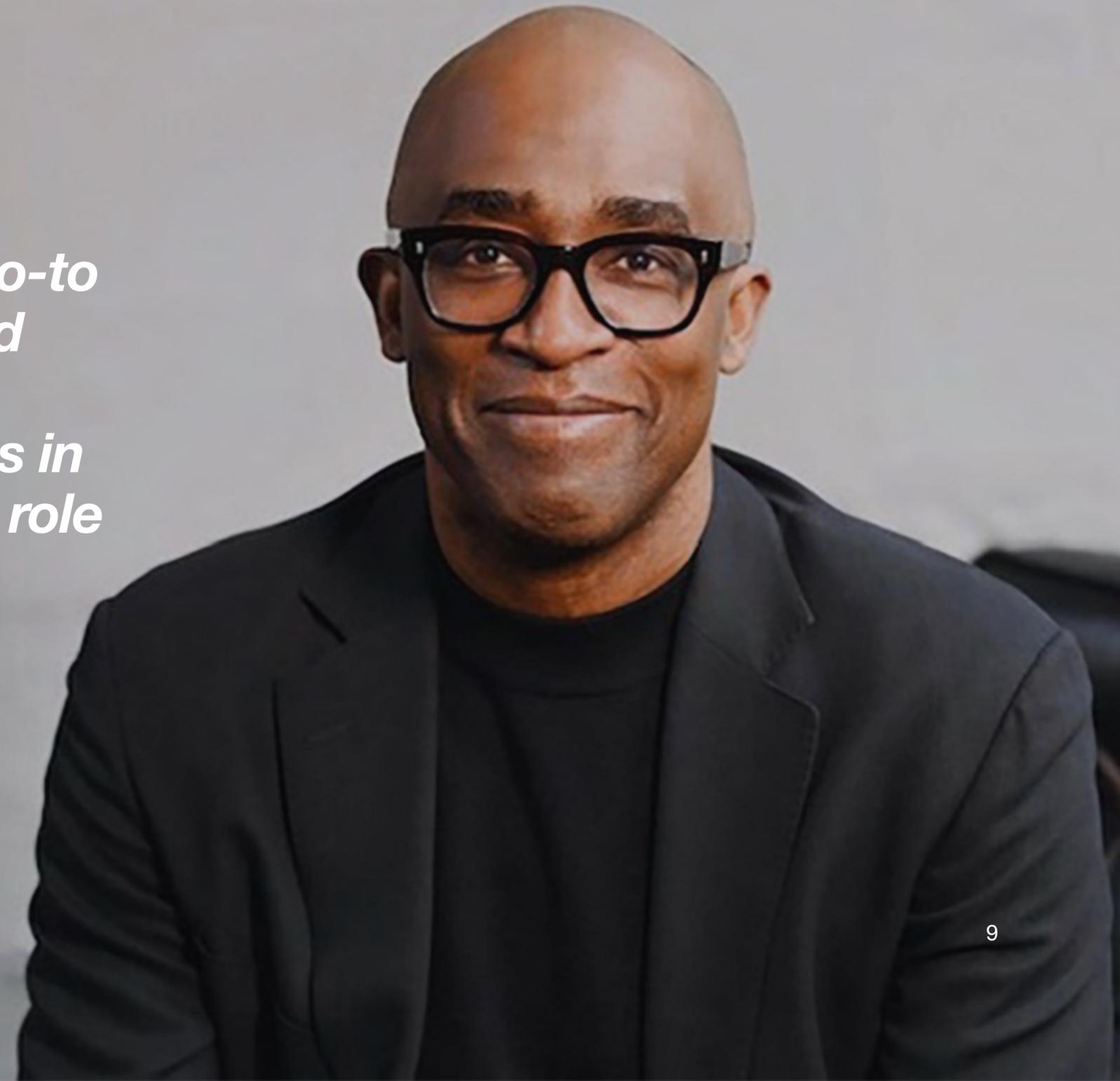
***“Hypebeast has become one of the most influential media brands spanning product, lifestyle, fashion and culture. They are the go-to destination for people wanting to stay ahead and as such, the go-to platform for brands wanting to increase their influence and sales in the marketplace. They have cemented their role in the global acceleration of culturally connected brands.”***

**Trevor Edwards**

Director, Iron Spark I

Former President, Nike

*Board Nominee of Combined Company*



# Iron Spark Investment Thesis

## Partnering with Management to Build Hypebeast 2.0

### Leading Creator of Media and Content at the Forefront of Culture

26M social media followers, 18M monthly unique visitors\* and 900M+ TikTok tags

### Unique Opportunity to Invest in Streetwear and Culture in the Public Markets, Now with Direct Access to the US Capital Markets

Global digital commerce leader in streetwear and beyond

### Massive \$1.6T TAM Encompassing the Global Apparel and Footwear Industry

Relationships with 250+ premium brands representing nearly 40% of industry TAM

### Management Track Record of Growth, Profitability and Public Company Discipline

34% organic CAGR, 50%+ gross margins and diversified revenue base driven by increasing cultural relevance and global reach

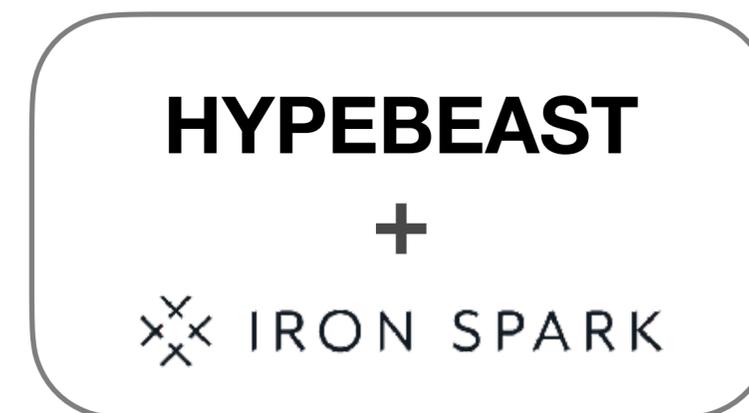
### Deal demonstrates that $1 + 1 = 3$

New capital and talent will enable targeted market expansion and the launch of additional product categories

\* Reflects FY2021E (Fiscal Year Ending March 31, 2022).

# Transaction Summary

**Hypebeast will acquire Iron Spark I (ISAA) resulting in a dual listing on the HKEX and NASDAQ.**



## Transaction Parties

- Hypebeast Limited, a Cayman Company (HKEX:150)
- Iron Spark I, a Delaware Corporation (NASDAQ: ISAA)

## Transaction Summary

- The transaction will be funded by a combination of ISAA cash held in a trust account, newly issued Hypebeast ordinary shares and proceeds from a PIPE transaction
- Transaction is expected to result in approximately US \$180 million of total proceeds\*
- Hypebeast intends to use the proceeds from the transaction to make incremental investments primarily across technology, talent and marketing to support continued growth of the business

## Capital Structure & Valuation

- Transaction implies a pro forma enterprise value of US \$353 million, representing 3.1x based on FY2021E revenue of not less than US \$112 million, an attractive valuation relative to peers
- Existing Hypebeast shareholders are expected to retain 56.2% of the pro forma equity of the combined company\*

## Listing

- Pro forma company is expected to be dual listed and trade in Hong Kong under stock code 0150.HK and in the US with ticker \$HYPE

Note: For FY2021E, Fiscal Year Ends March 31, 2022.

\* Assuming (i) no redemption by SPAC's public shareholders, (ii) a PIPE transaction with gross proceeds of US \$13.3 million, (iii) SPAC Sponsor's rollover into Hypebeast and (iv) estimated transaction expenses of US \$21M.

A photograph of two men in plaid jackets against a cloudy sky. The man on the left is looking off to the side, and the man on the right is leaning his head against the first man's shoulder. Both are wearing heavy, textured plaid jackets. The background is a bright, overcast sky with some clouds.

# HYPEBEAST

“Driving Culture Forward”

A crowd of people is gathered in a room, likely at a Hypebeast event. The background wall is covered with framed posters, many of which feature the word "HYPEBEAST" and various designs, including a Supreme logo. The scene is dimly lit, with spotlights visible on the wall. The text "Hypebeast is a global media and commerce company positioned at the forefront of culture." is overlaid in white on the image.

**Hypebeast is a global media and commerce company positioned at the forefront of culture.**

# Hypebeast Today

## HYPEBEAST

EDITORIAL & SOCIAL MEDIA PLATFORM

## HYPEBEAST

Flagship platform showcasing the latest in fashion, art, design and culture

## HYPEBAE

Female-focused content inspired by fashion, lifestyle, music and beauty

## POPBEE

Female-driven platform focused on contemporary Asian women

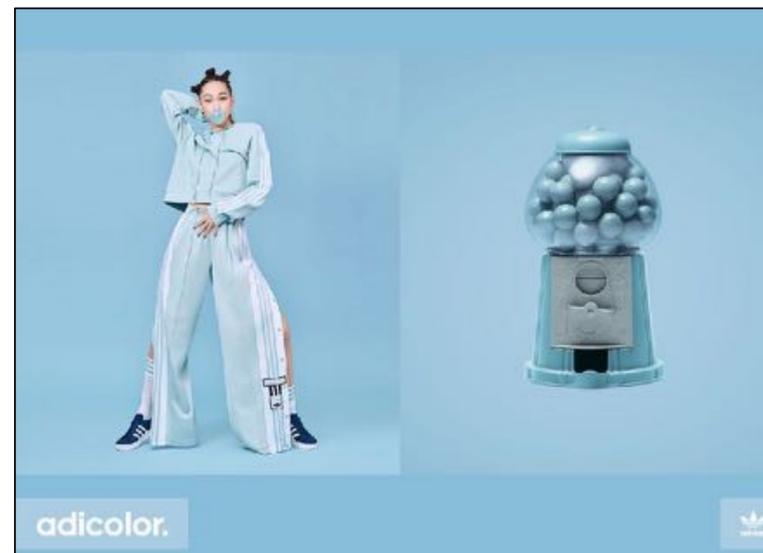


Additional platforms covering a range of interests (cars, golf, watches, art and more)

## HYPEMAKER

CREATIVE AGENCY

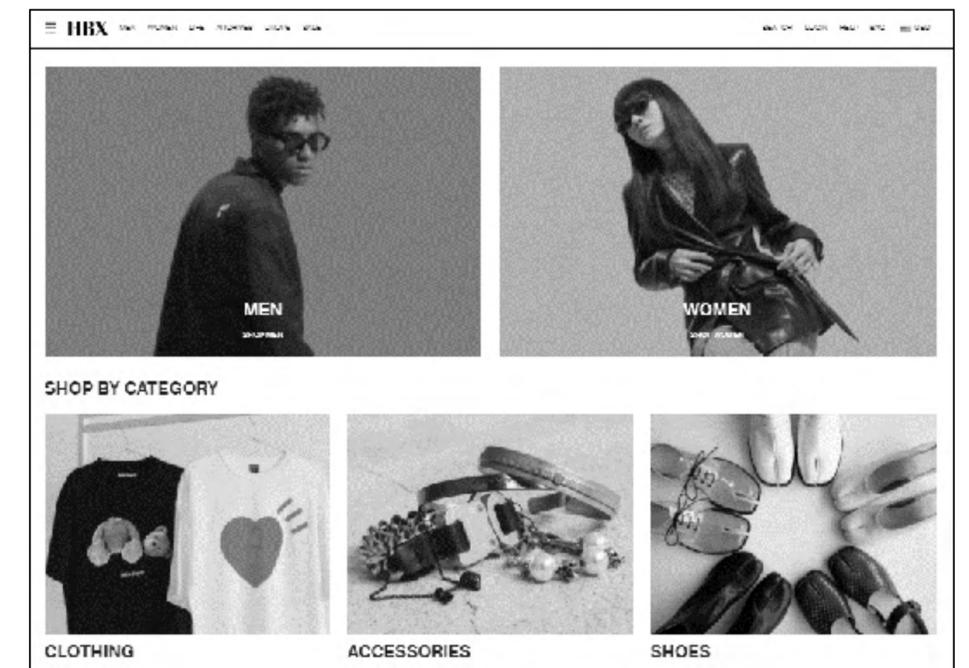
Creative studio providing complete solutions from ideation to content amplification, creative production and consumer insights, plus access to Hypebeast's global distribution network



## HBX

E-COMMERCE PLATFORM

E-commerce platform distributing 250+ up-and-coming and established brands globally with flagship retail location in Hong Kong



# Hypebeast Snapshot

Fiscal Year 2021E

Not less than

**\$112M**

Revenue 3/31/22 FYE (USD)

**29%**

YoY Revenue Growth

**59%**

Gross Margins\*

**22%**

EBITDA Margins\*

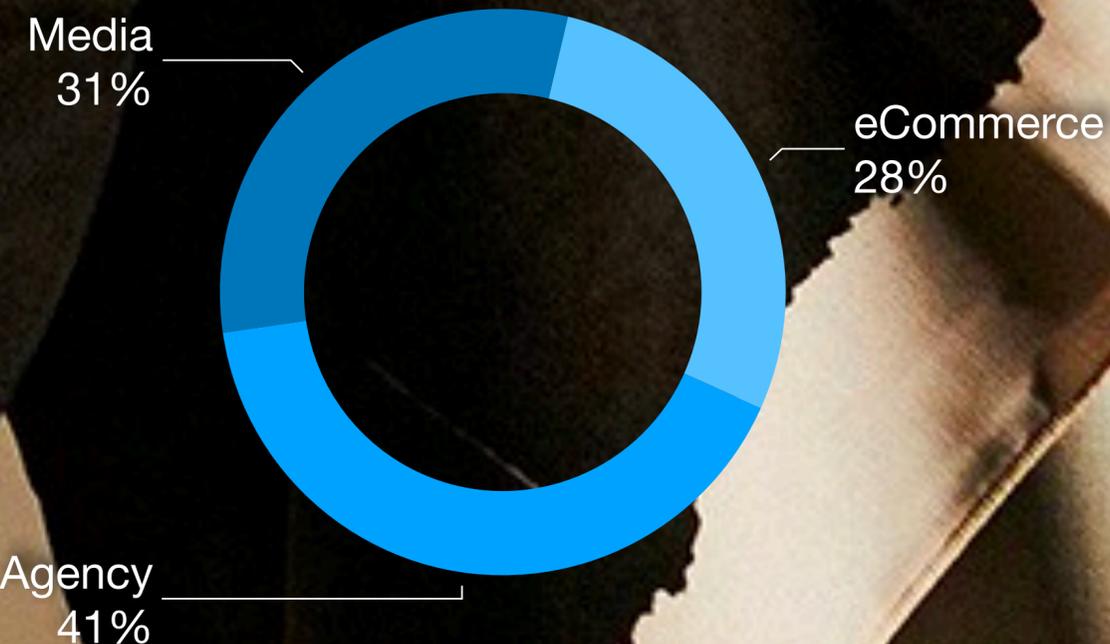
**26M**

Social Media Followers

**18M**

Monthly Unique Visitors

## Revenue by Segment

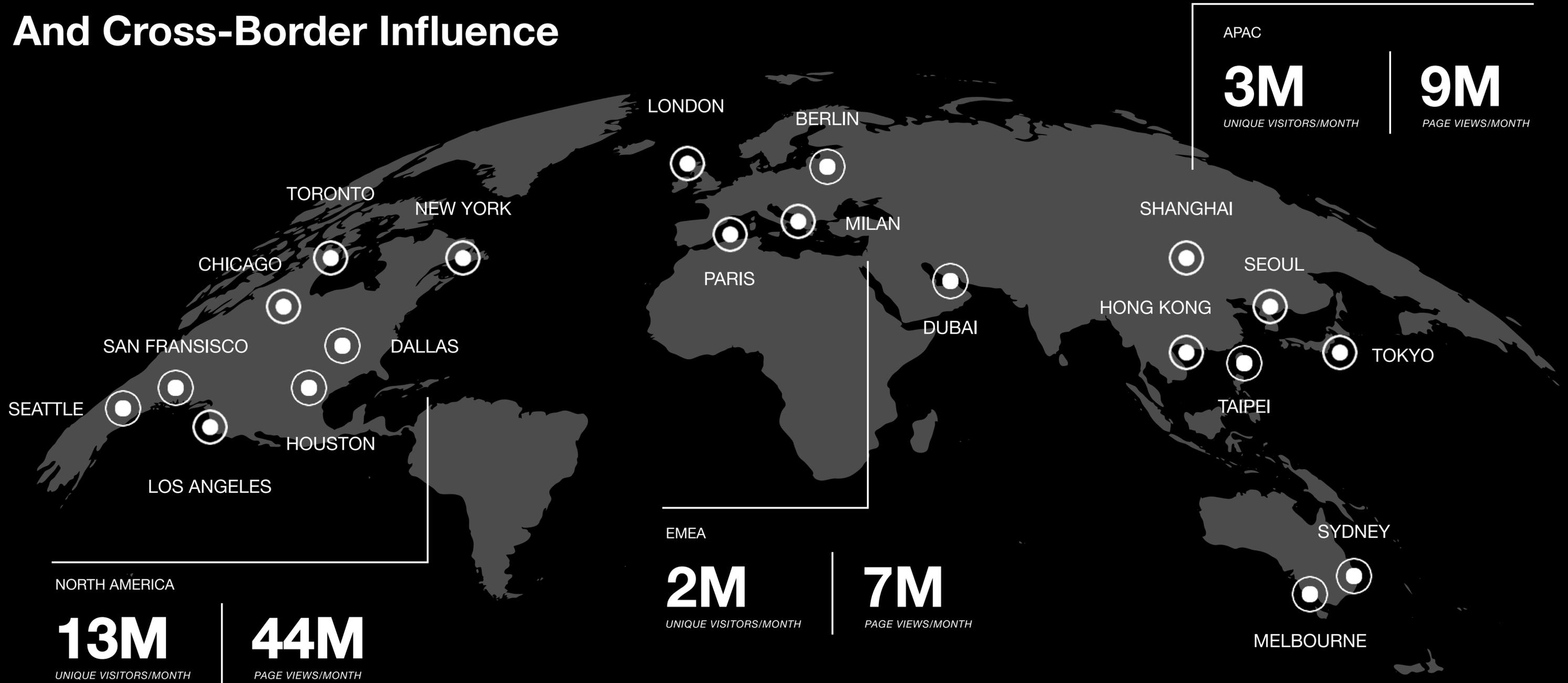


Note: For FY2021E, Fiscal Year Ends March 31, 2022.

\* Based on Hypebeast's historical interim financial results for the period ended September 30, 2021 published on December 8, 2021.

# Global Reach

## And Cross-Border Influence



Note: Reflects FY2021E (Fiscal Year Ending March 31, 2022).

# Bluechip Asset in Ascendant Markets

**Hypebeast is a Leading Authentic Voice and Brand in Streetwear...**

*“Brands advertise on Hypebeast because they know it’s influential.”*

**Business of Fashion**

*“Hypebeast [is] one of the world’s foremost authorities on streetwear and street culture.”*

**Forbes**

**...and Recent Transactions Point to the Value of the Category**

*“Supreme Streetwear Brand Sold to VF in \$2.1 Billion Deal”*

**Wall Street Journal**

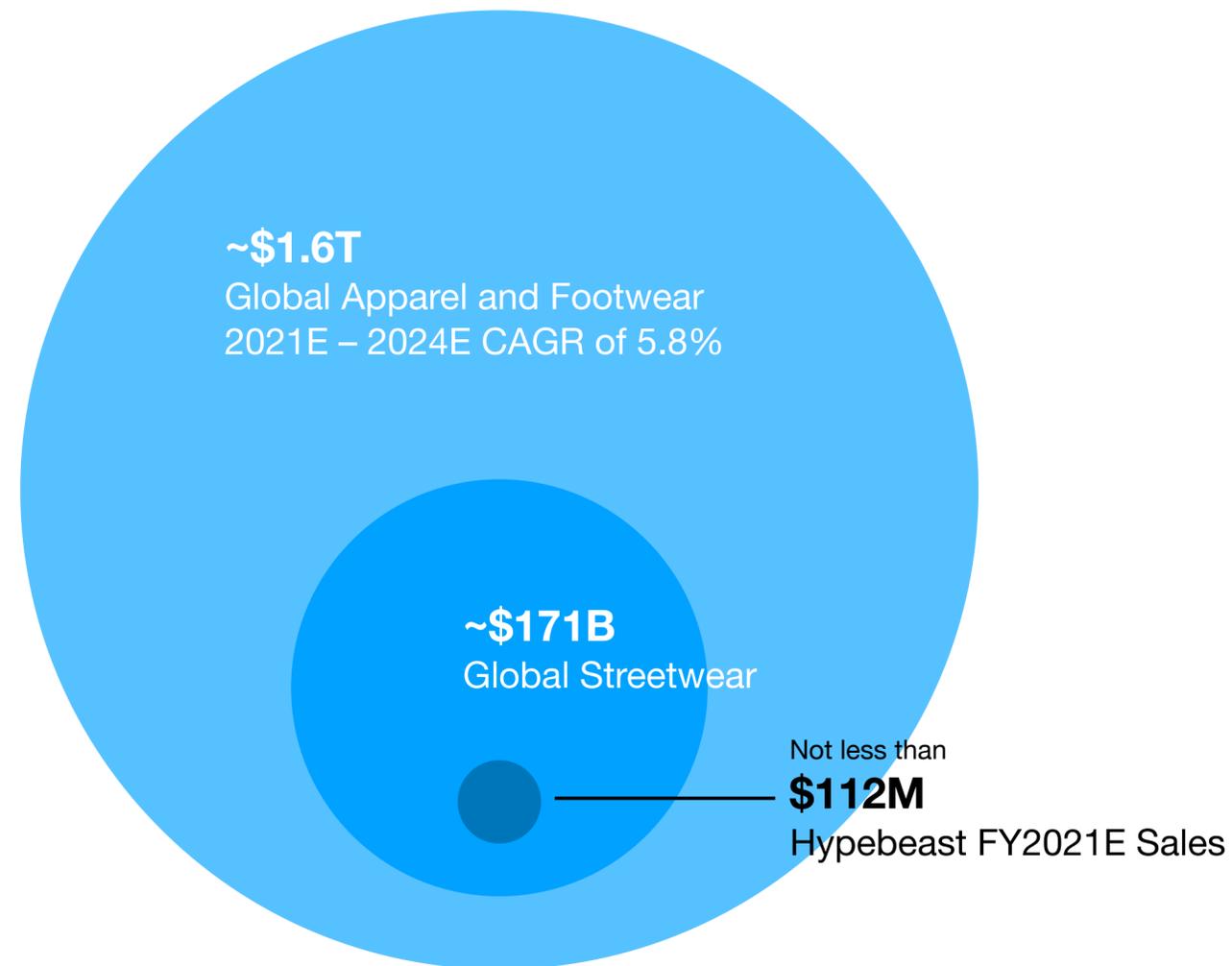
*“Moncler adds Stone Island to Collection in \$1.4 Billion Deal”*

**Reuters**

# A Massive Market Opportunity

In Streetwear and Beyond...

...with Secular Tailwinds



- At the intersection of the growing luxury, sportswear and sports-inspired lifestyle apparel categories
- Popularity amid a wider trend towards comfort-driven, athleisure clothing
- At the forefront of culture - influenced by pop culture, art, music and sports
- Exclusivity, authenticity and design continue to be crucial for relevance

# HYPEBEAST 2.0

The Leading Global Platform for Forward-Looking Culture

# The Hypebeast Growth Algorithm

## Fully Realized Marriage of Content and Commerce

### Digital Media



### eCommerce

Localization and personalization of media content to drive audience expansion and deeper customer engagement

Opportunities to optimize growing ad inventory across all platforms

Integration of HYPEBEAST and HBX - Consumers of media content to be monetized on the eCommerce platform through purchases

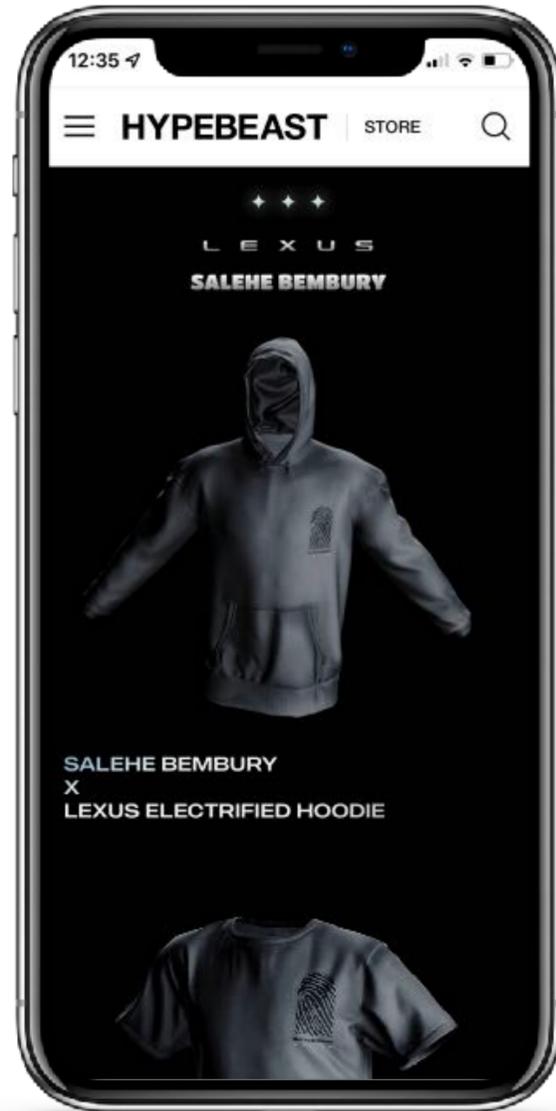
Significant ReCommerce opportunity

IRL Touch points (e.g. NYC flagship) for further community and content building, and omni-channel commerce

# Integrated Media, Marketing and eCommerce



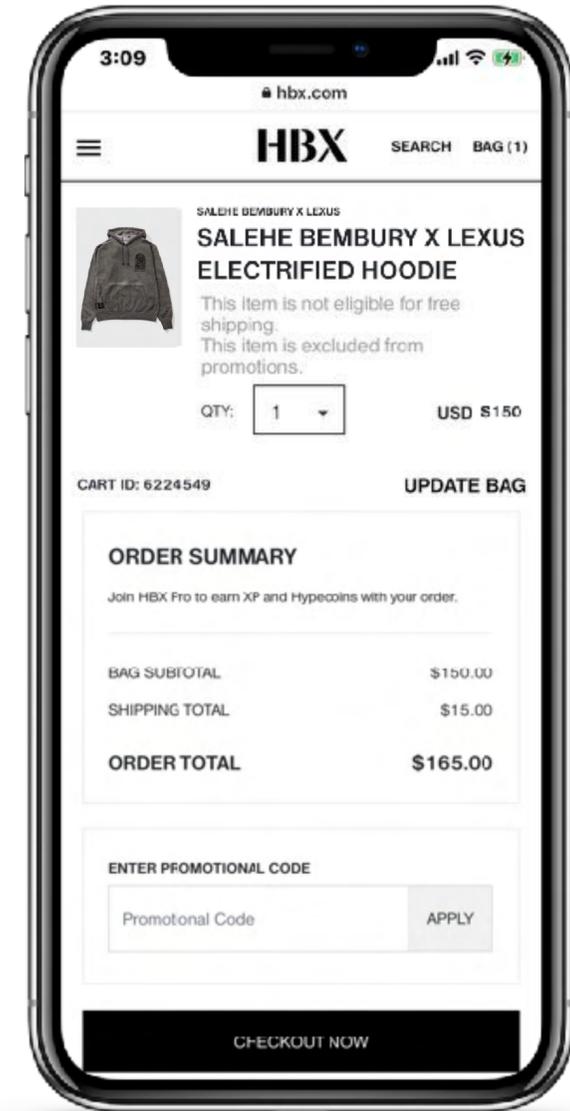
IG Stories Swipe to editorial content



HYPEBEAST article with hyperlinks



HBX.com



BUY

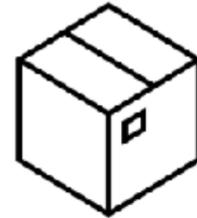
# Unlocking the Full Potential of the Hypebeast Community

## Full Conversion of HYPEBEAST Users Into HBX Shoppers



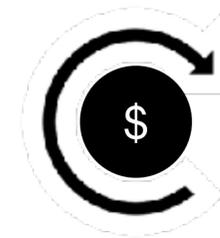
**213M**

HYPEBEAST Annual  
Unique Visitors



**US \$258**

Average Order  
Value



**1.1%**

Order  
Conversion Rate



**20x or  
US \$608M**

Potential demand in our  
e-commerce ecosystem

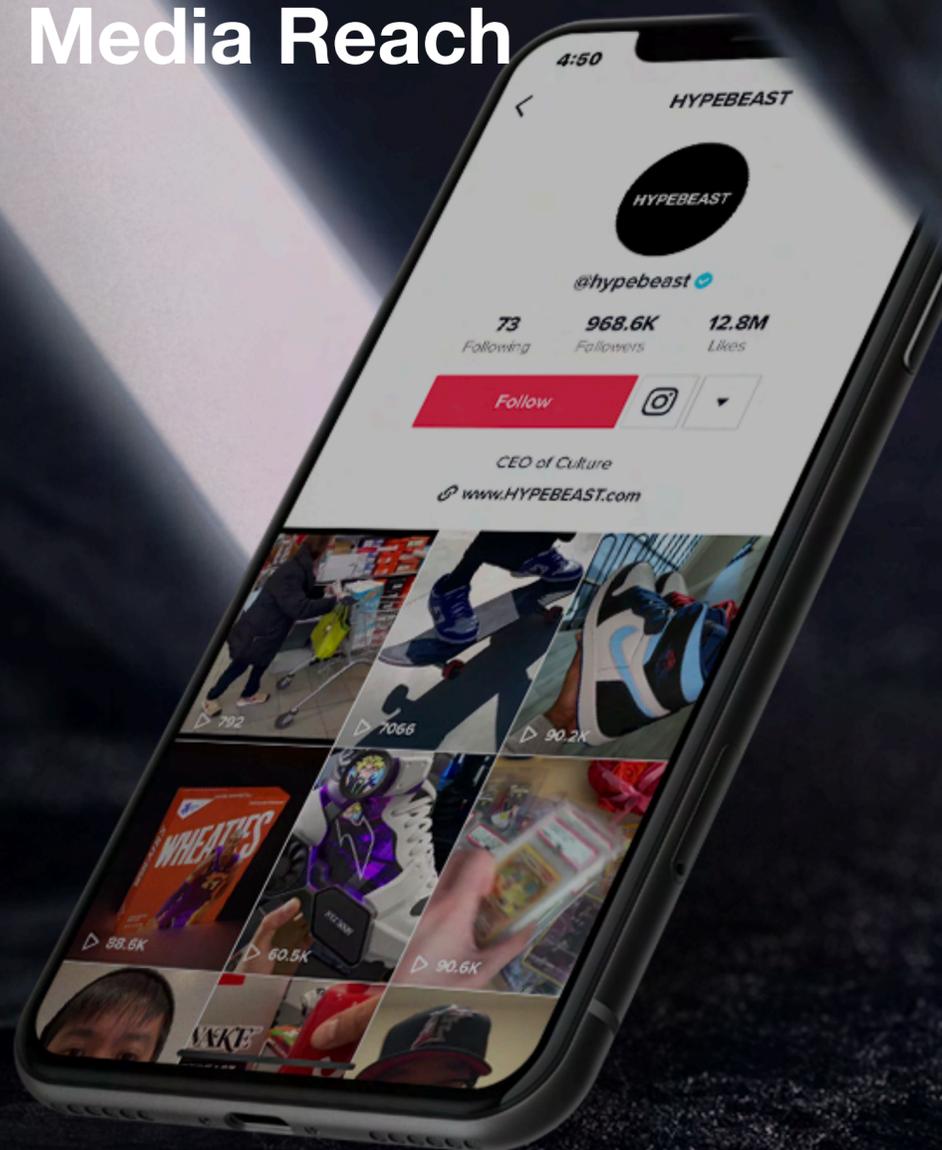
# Expansion of Media Verticals & Shift to Social

## Topical and Regional Extensions Fueling Media Reach

Hypebeast's social media footprint continues to grow across key global platforms such as Instagram (19M followers) and TikTok (1.2M followers, over 900M #HYPEBEAST hashtags) as of 10/2021.

Organic growth in editorial reach is augmented by topical expansion into adjacent categories, recent examples include watches, cars and golf

Key properties are regionalized as scale warrants, recent examples include HYPEBEAST Indonesia and HYPEBAE in South Korea



# Enormous, Latent ReCommerce Opportunity

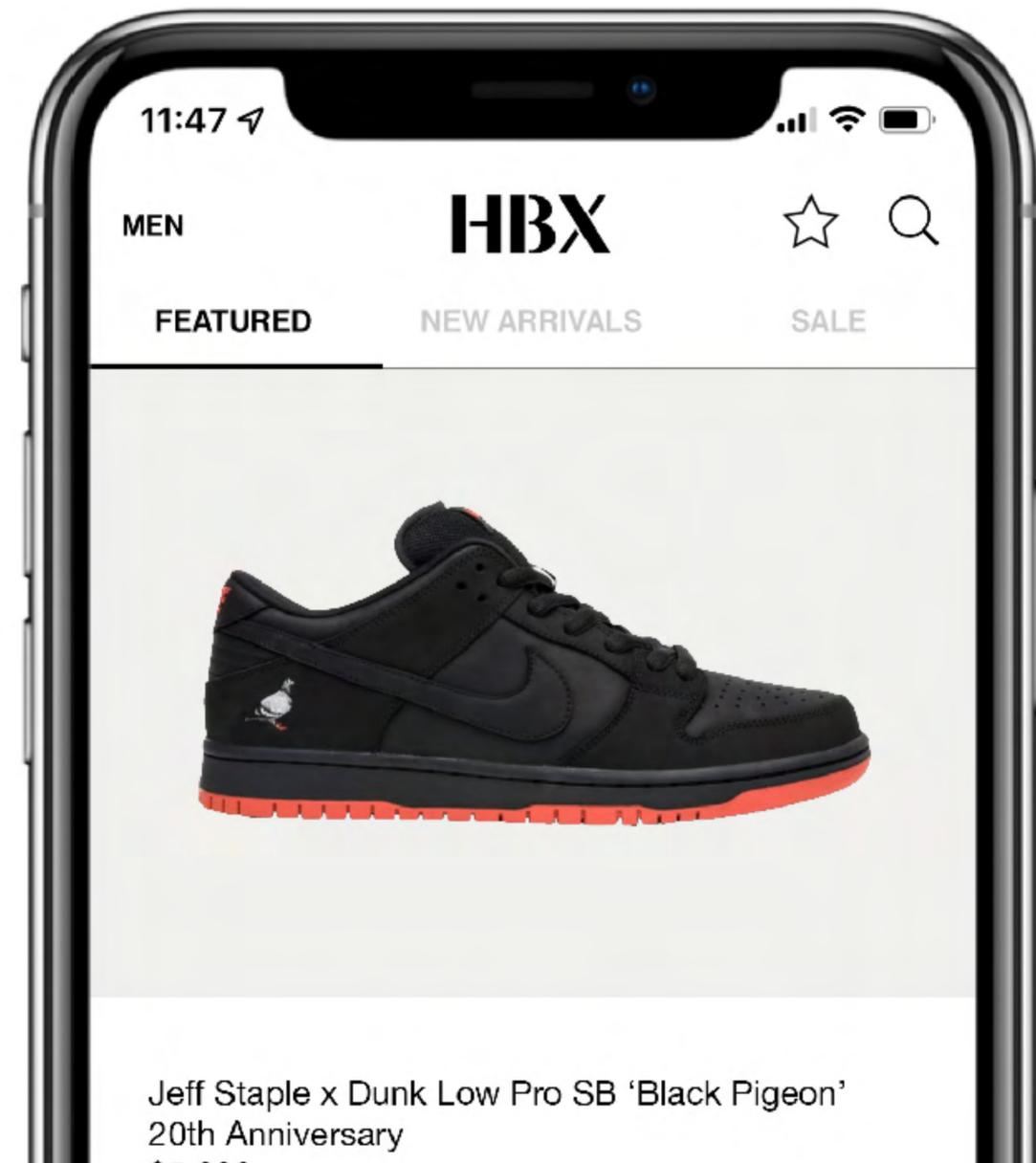
Hypebeast has only scratched the surface of ReCommerce

Companies like GOAT, StockX and TheRealReal have proven the opportunity to create massive, second-hand luxury marketplaces

Streetwear and sneakers are an especially attractive category where Hypebeast already has a vast existing audience of potential buyers and sellers

+80% Gross Margins\* + Zero Inventory = Compelling Cashflow and Growth Dynamics

\* Reflects typical ReCommerce gross margin.



# Connecting Digital Loyalty & Physical Experiences

NYC Flagship slated to open H2 2022 will incorporate HBX retail space with office/studio space for editorial and agency staff

Retail spaces designed to be unit level profitable and/or create cost savings

Additional opportunities for brand activation, audience engagement and commerce conversion through events (e.g. HYPEFEST) and smaller footprint retail outposts (e.g. HYPEBEANS)

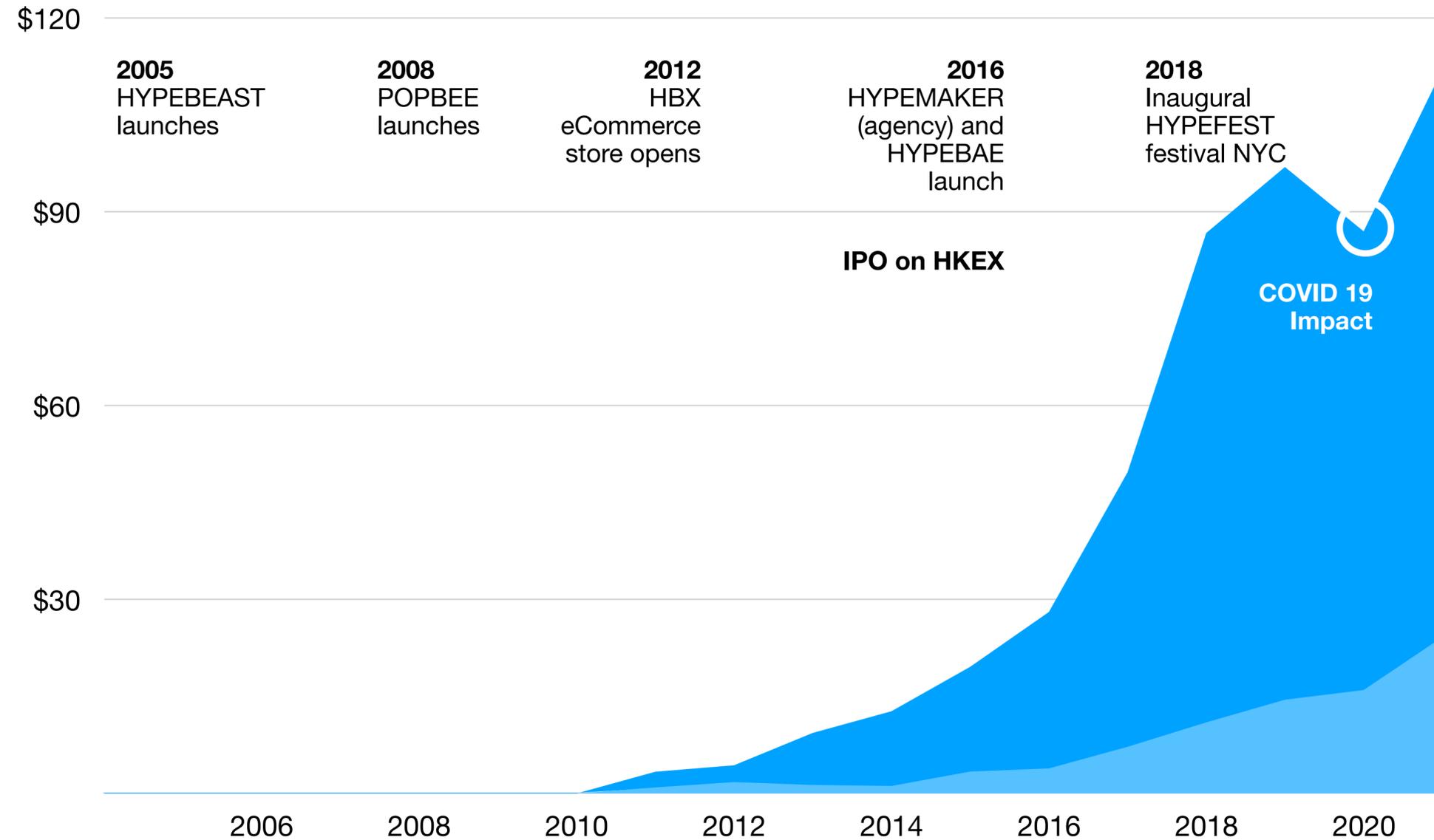


# Financial Overview



# Track Record of Driving Profitable Growth

## Sustained Growth through Organic Reach & Deliberate Extensions



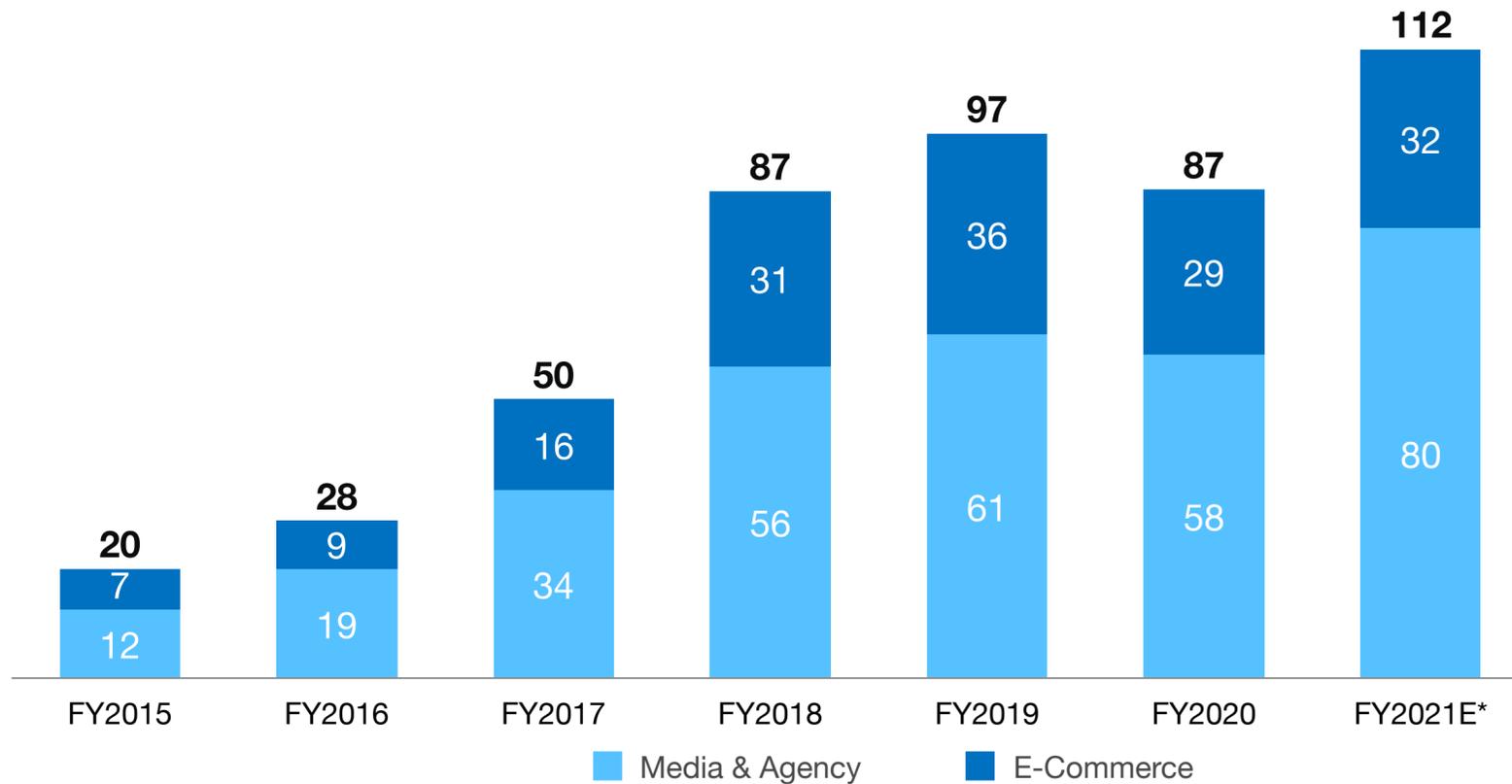
**34%**  
Revenue CAGR  
2015 - 2021

**Note**  
Years denote FYE March 31 of the following year

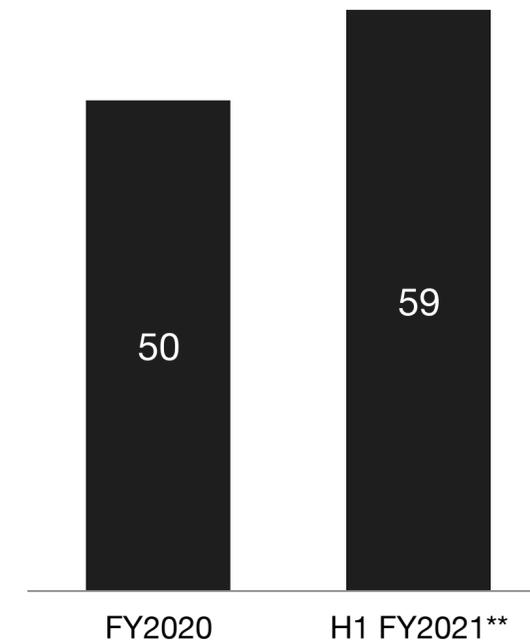
■ Revenue (US \$M)  
■ EBITDA (US \$M)

# Financial Summary by Segment

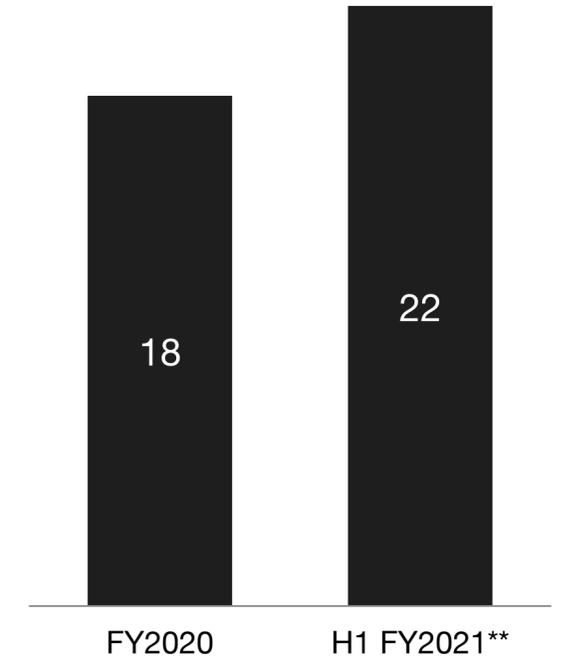
Revenue (US \$M)



Gross Margin %  
Whole Business



EBITDA Margin %  
Whole Business



## Key Drivers of Topline Growth

Growth in eCommerce driven by category growth as well as conversion of HYPEBEAST readers into HBX customers

Expand Margins through scaling regional inventory and consignment throughput

Monetize web traffic by expanding brand and inventory breadth

Note: FYE March 31 of the following year.

\* FY2021E total revenue not less than US \$112M.

\*\* Based on HB's historical interim financial results for the period ended September 30, 2021 published on December 8, 2021.

# Valuation & Comparables



***“Working with Iron Spark isn’t just about capital, it’s about the incredible access and experience that the board and management team bring to the table. For us that is a 1+1=3 equation.”***

**Kevin Ma**  
Founder & CEO, Hypebeast



# Proposed Transaction Summary

## Estimated Sources & Uses and Pro Forma Valuation

### Estimated Sources & Uses (US \$M)

Sources	
ISAA Cash in Trust <sup>(1)</sup>	\$166.8
PIPE Financing	13.3
Hypebeast Equity Rollover	300.0
<b>Total Sources</b>	<b>\$480.1</b>

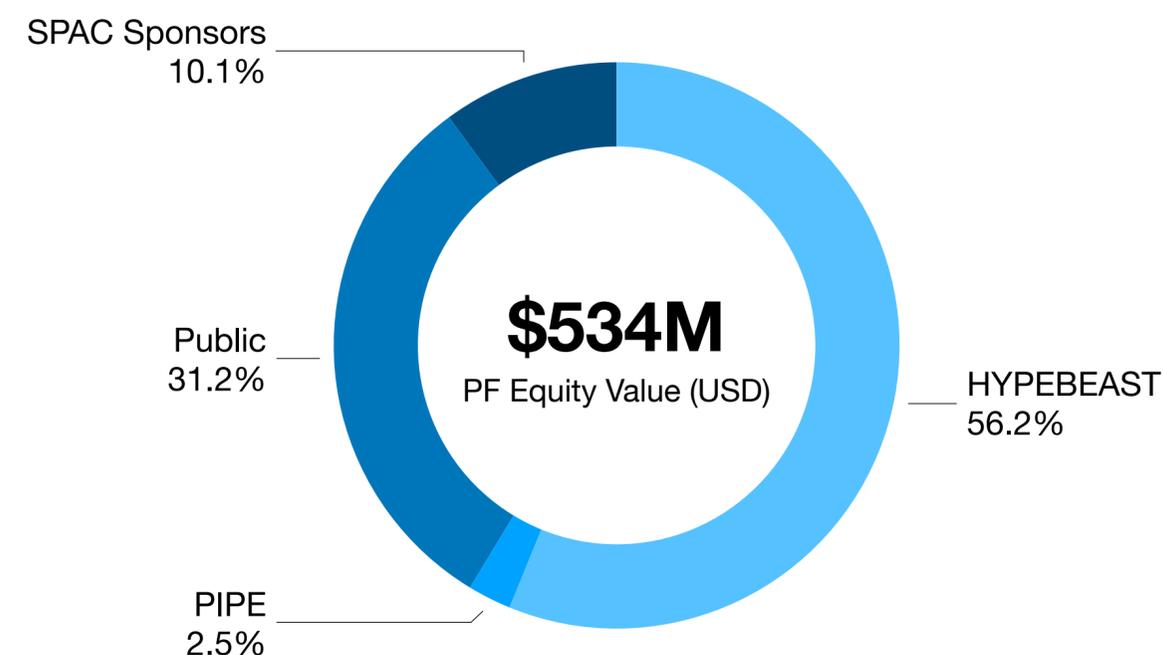
Uses	
Hypebeast Equity Rollover	\$300.0
Cash to Balance Sheet	159.1
Indicative Transaction Expenses <sup>(2)</sup>	21.0
<b>Total Uses</b>	<b>\$480.1</b>

### Illustrative Pro Forma Valuation (US \$M, except per share)

Share Price	\$10.00
Pro Forma Shares Outstanding	53.4
<b>Equity Value</b>	<b>\$534.0</b>
Less: Net Cash <sup>(3)</sup>	(181.3)
<b>Enterprise Value</b>	<b>\$352.7</b>

### Illustrative Pro Forma Capitalization at Close

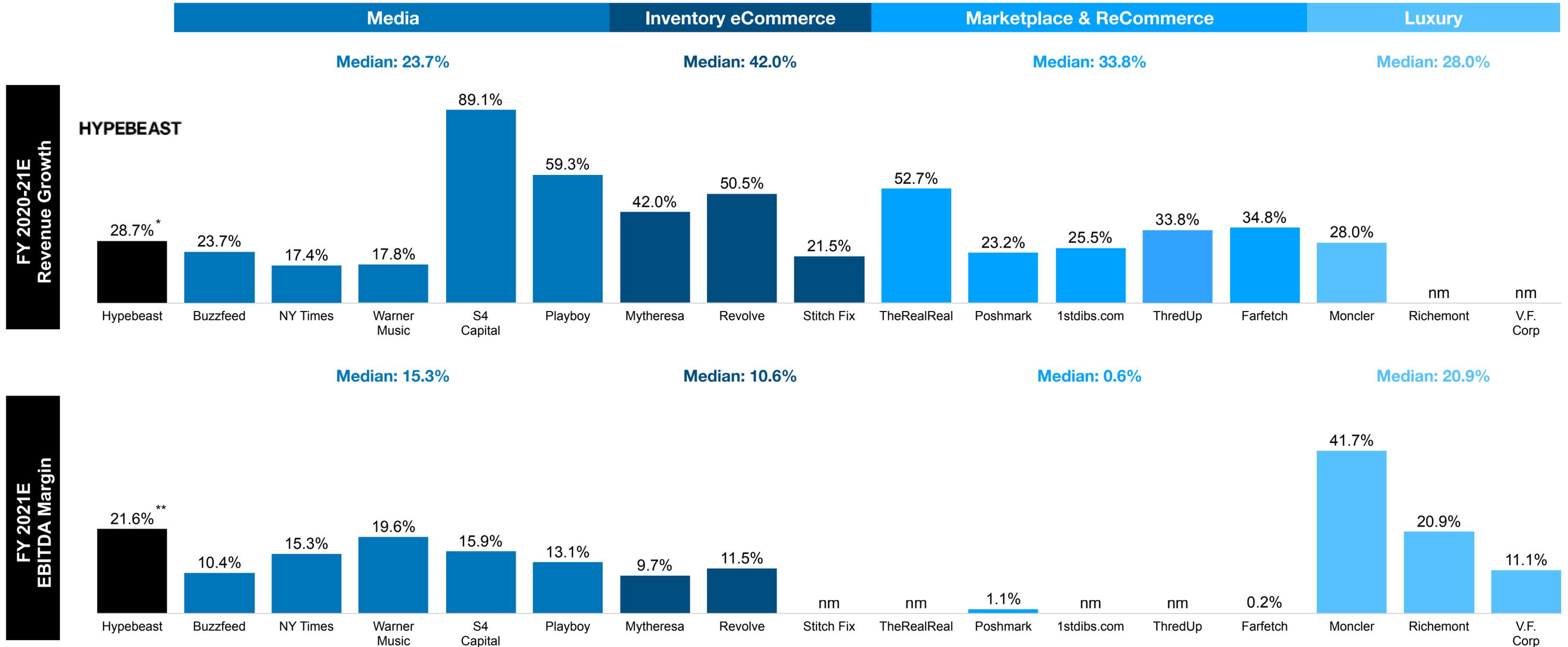
Shareholder	Shares	% Total
Hypebeast Shareholders	30.0	56.2%
PIPE Investors	1.3	2.5%
SPAC Public Shares	16.7	31.2%
SPAC Founder Shares <sup>(4)</sup>	5.4	10.1%
<b>Total</b>	<b>53.4</b>	<b>100.0%</b>



Note: Assumes no redemptions from existing Iron Spark shareholders and new shares are issued at US \$10.00 per share.

(1) ISAA Cash in Trust does not include interest and is net of dividend payments held in escrow. (2) Indicative Transaction Expenses include deferred underwriting fees. (3) Net Cash includes existing net cash of \$22M. (4) SPAC Founder Shares also include 1.19 million SPAC Class A shares acquired by the Sponsor through private placement in connection with ISAA's IPO.

# Operational Benchmarking: Public Comparables

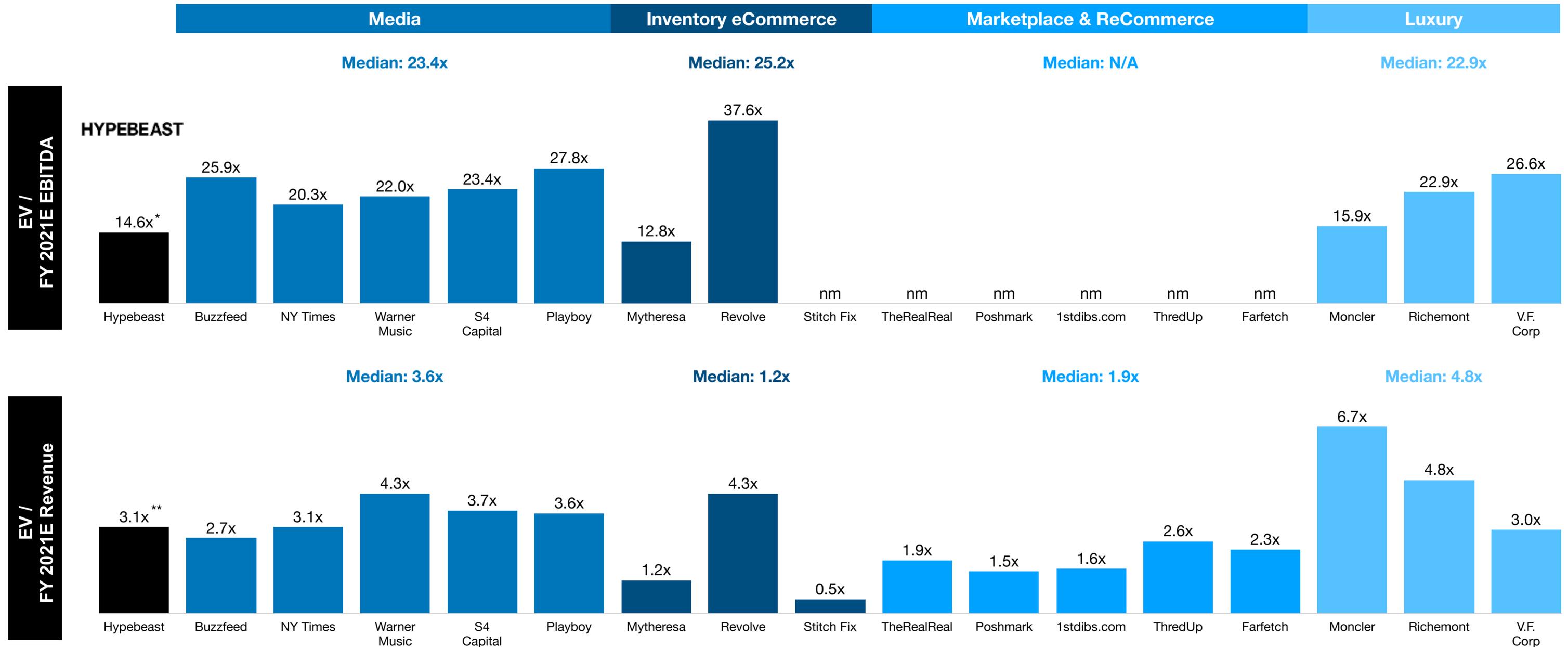


Source: BuzzFeed Press Release; CapitalIQ as of 3/22/2022.

\* Based on Hypebeast projected revenue of not less than US \$112 million for the Fiscal Year Ending March 31, 2022.

\*\* Based on historical interim financial results for the period ended September 30, 2021 published on December 8, 2021.

# Valuation Benchmarking: Public Comparables



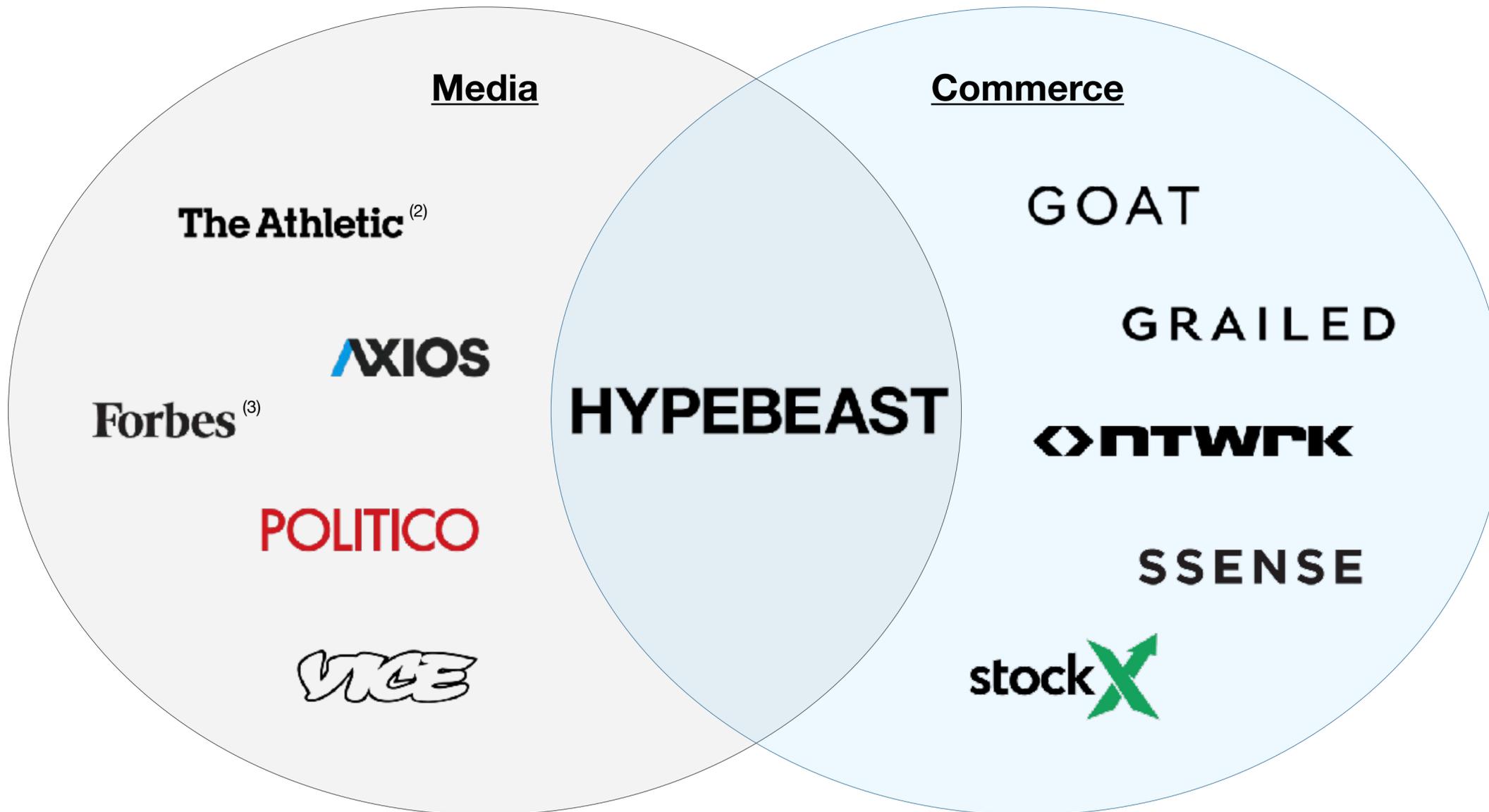
Source: BuzzFeed Press Release; CapitalIQ as of 3/22/2022.

\* Implied based on H1 FY2021 actual EBITDA margin and historical interim financial results for the period ended September 30, 2021 published on December 8, 2021.

\*\* Based upon Hypebeast projected revenue of not less than US \$112 million for the Fiscal Year Ending March 31, 2022.

# Private Comparables

Attractive Landscape in the Media and ReCommerce Space with Private Companies Raising ~\$5B<sup>(1)</sup> of Growth Capital



Hypebeast delivers best-in-class across media and commerce with unparalleled brand engagement and customer loyalty that will decrease customer acquisition costs and increase lifetime value

Source: PitchBook.

Notes: (1) Does not include ~\$1B of M&A and equity deals. (2) Recently acquired by The New York Times. (3) Company has publicly announced a merger with a SPAC.

**THANK YOU**

HYPEBEAST

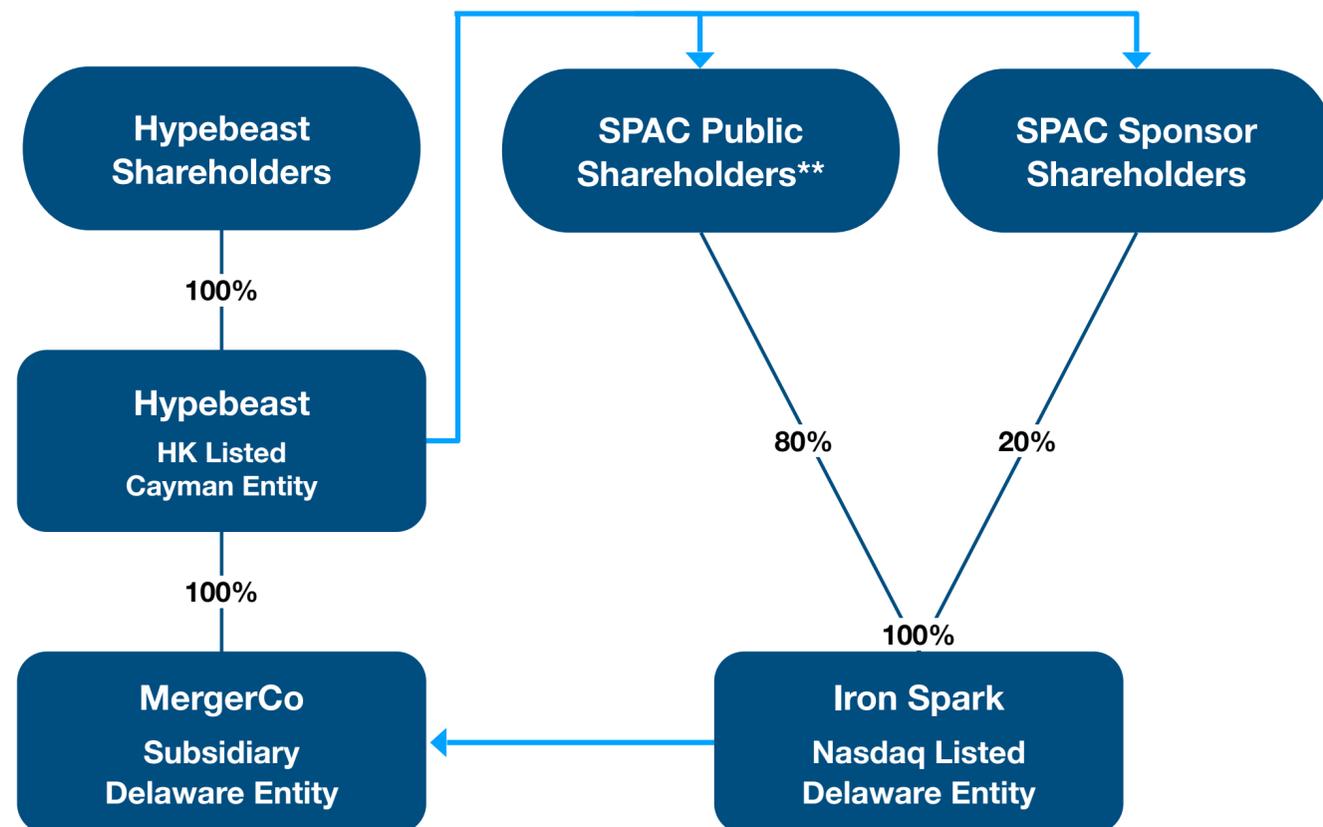
# Appendix



# Deal Structure

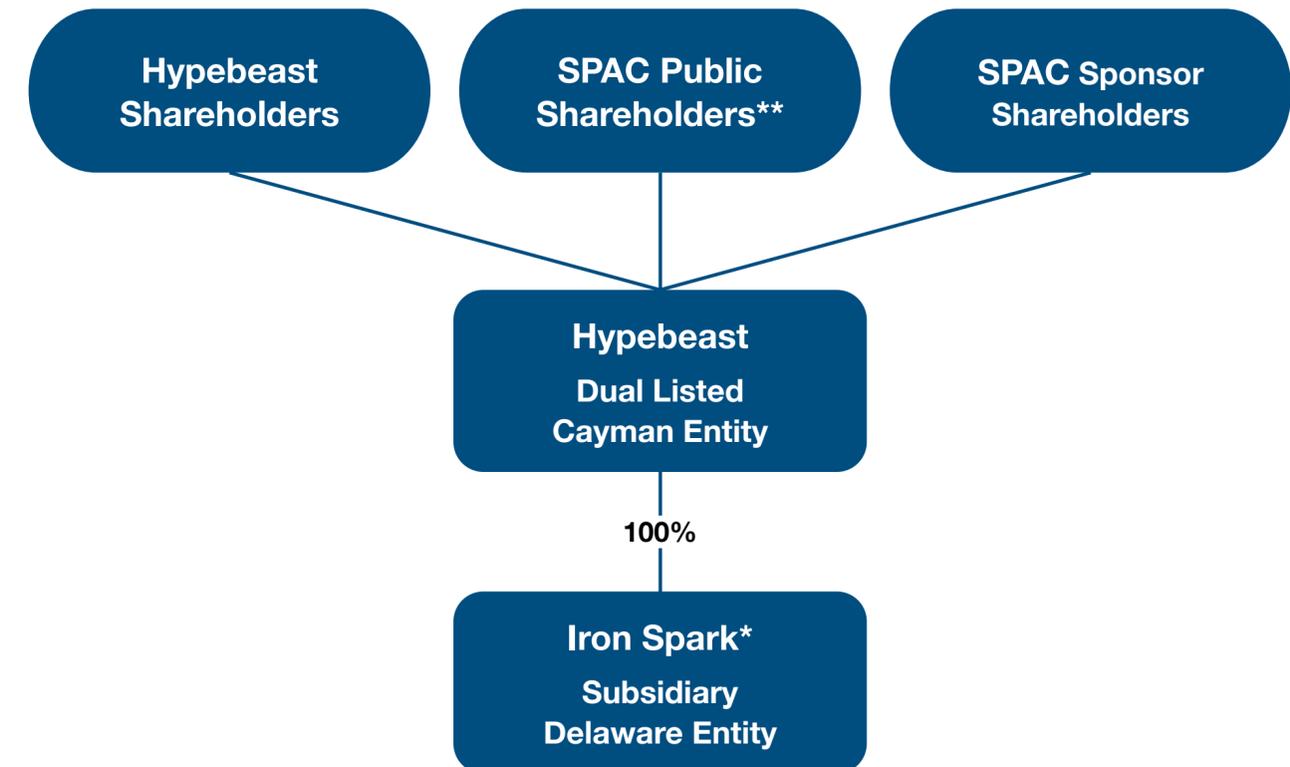
## BUSINESS COMBINATION

HYPEBEAST FORMS DELAWARE SUBSIDIARY TO MERGE WITH IRON SPARK



## POST-TRANSACTION

IRON SPARK SURVIVES AS WHOLLY OWNED SUBSIDIARY OF HYPEBEAST

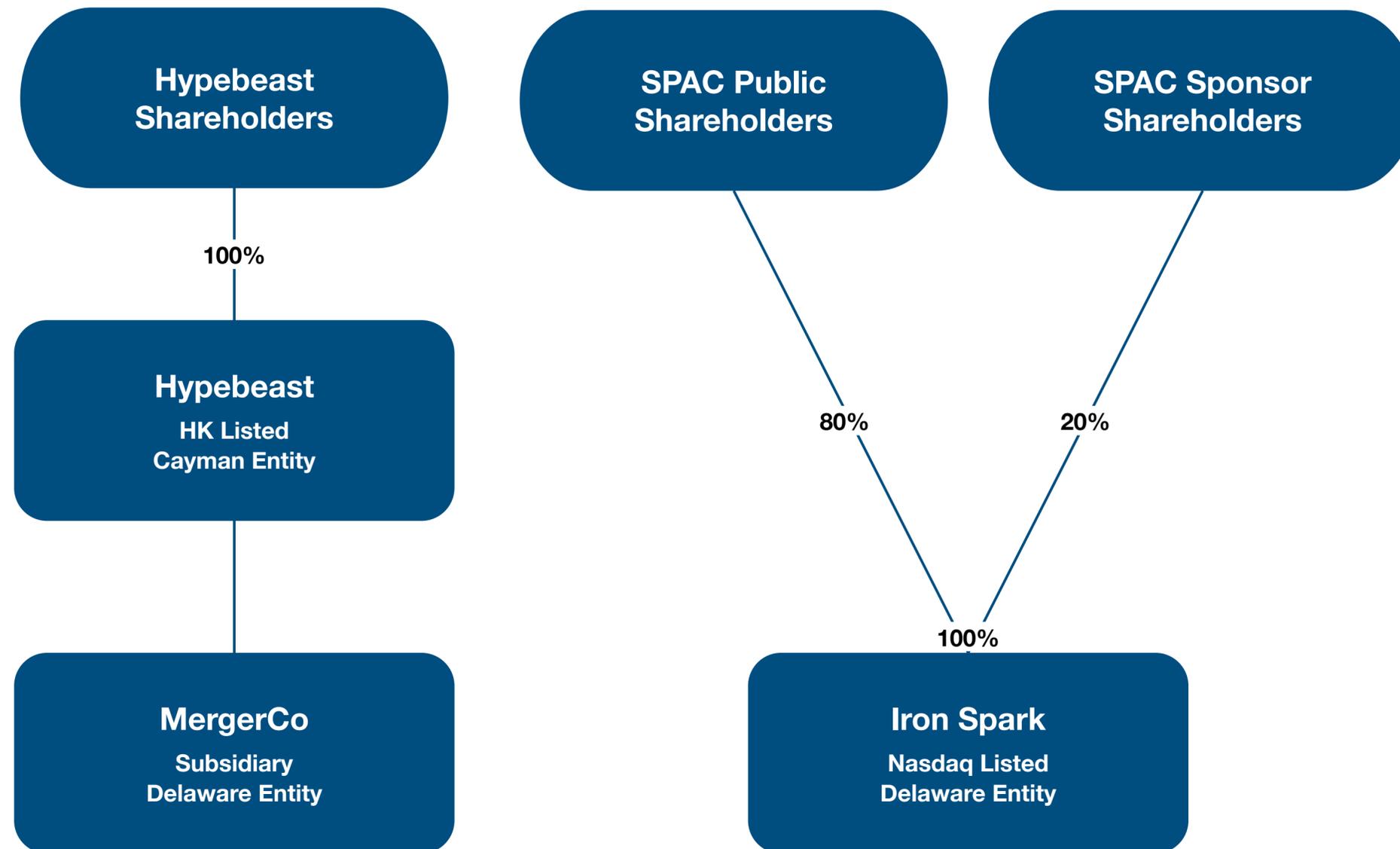


\* Former Iron Spark shareholders receive Hypebeast shares.

\*\* Excluding SPAC Public Shareholders who have exercised redemption rights before closing.

# Pre-Transaction Deal Structure

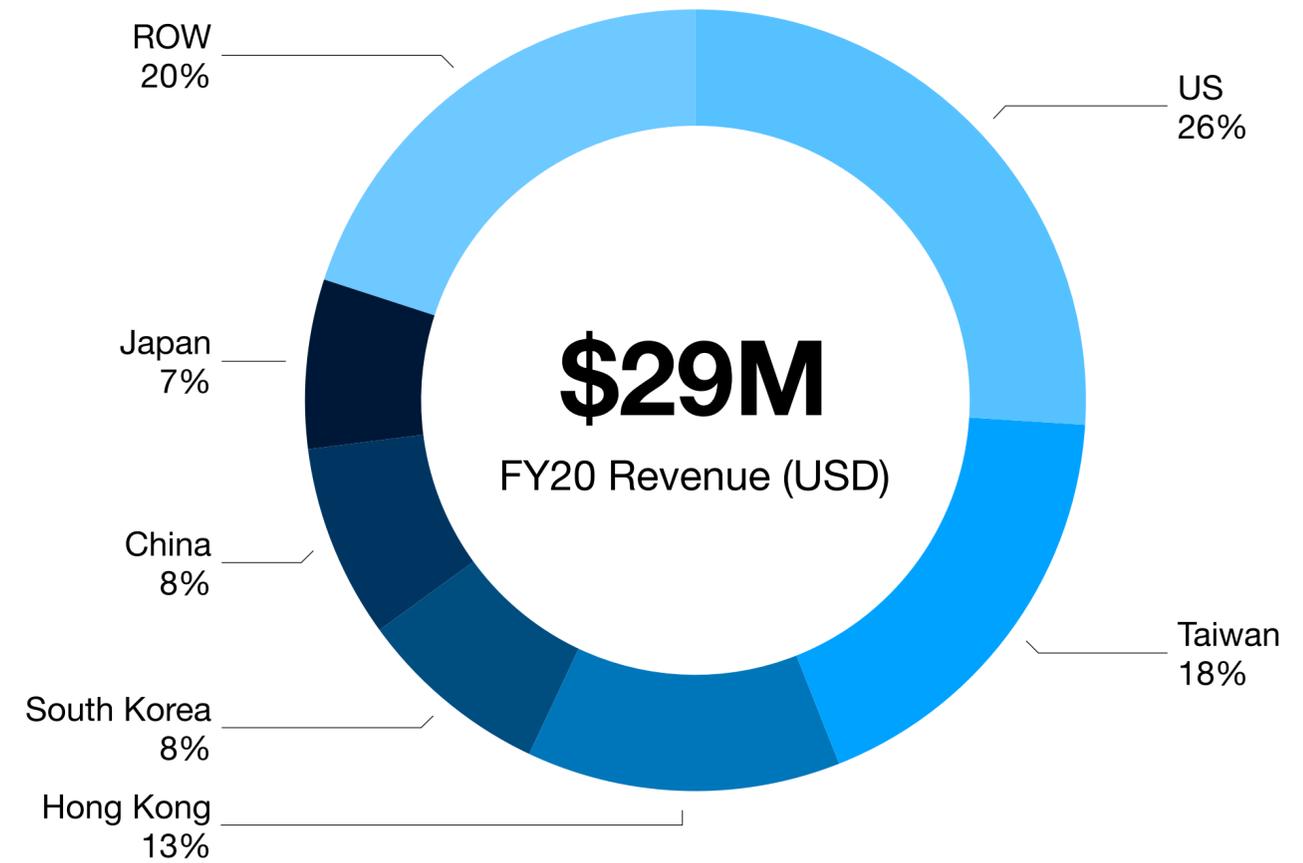
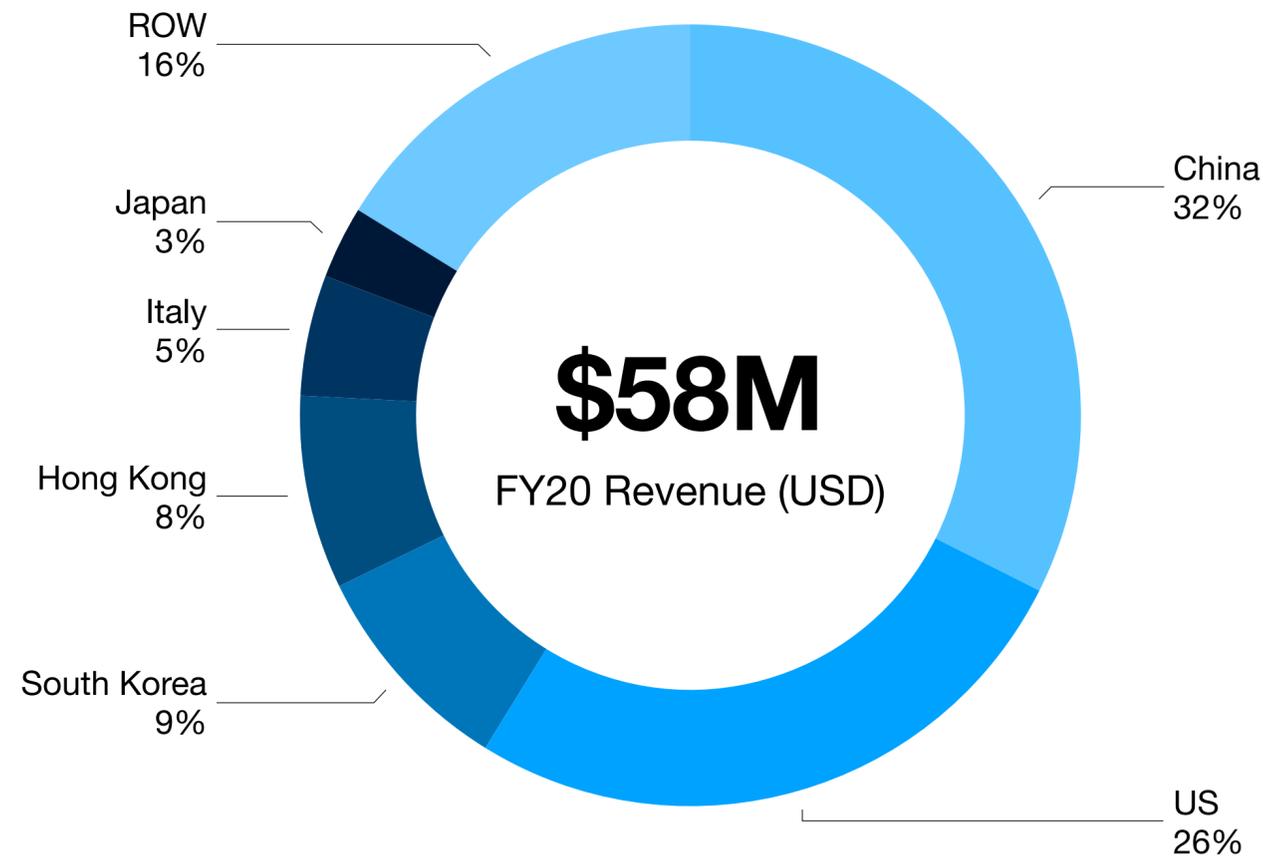
## Hypebeast Forms Delaware Subsidiary



# Regional Revenue Segmentation

## Media & Agency

## eCommerce & Retail



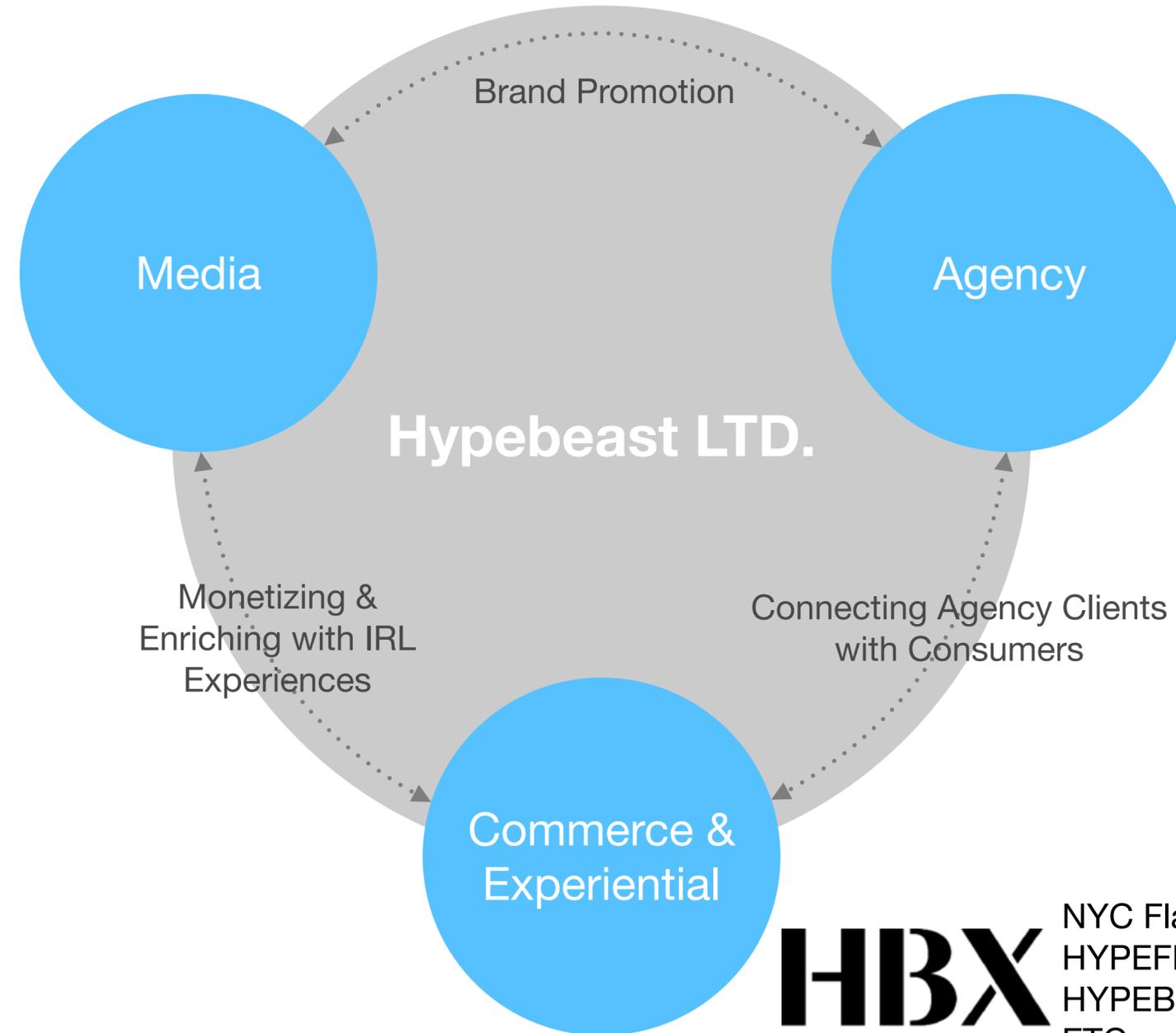
Note: Reflects FY2020 revenue (FYE March 31, 2021).

# The Hypebeast Flywheel

Highly Complementary & Integrated Business Units

**HYPEBEAST**

[HYPEBEAST.com](http://HYPEBEAST.com)  
& regional HYPEBEAST sites  
[HYPEBAE.com](http://HYPEBAE.com)  
[POPBEE.com](http://POPBEE.com)



**HYPEMAKER**

Creative Agency Services

**HBX** NYC Flagship  
HYPEFEST  
HYPEBEANS  
ETC

# Building The Full Stack Lifestyle Platform

Hypebeast is Well Positioned to Deliver 360 Exposure for Brands

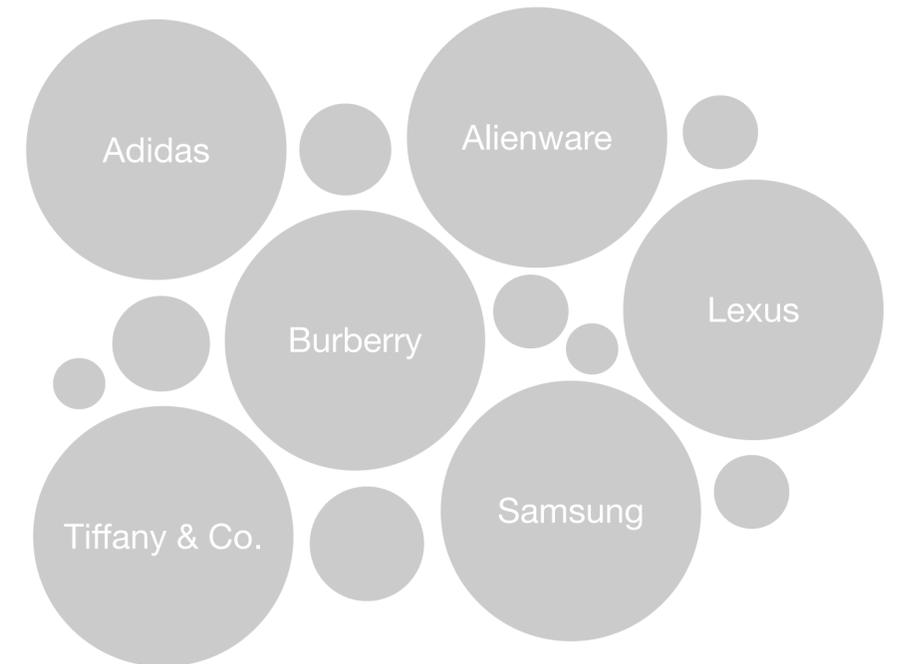
## Community



## The Hypebeast Stack

<b>Editorial Properties</b>	Compelling content drives engagement
<b>Creative Services</b>	Rich and audience specific campaign development
<b>Native Commerce</b>	Opportunity for seamless handoff from editorial coverage and ads to purchase
<b>IRL Extensions</b>	Unique physical activations deliver value-add for consumers and brands alike

## Brand Partners/Advertisers



Representative selection of actual advertisers and partner brands

***“Hypebeast sits at that intersection of culture, commerce and technology. When we developed our thesis for Iron Spark I this was precisely the type of company we were looking for.***

**Josh Spear**

CEO, Iron Spark I

*Board Nominee of Combined Company*

# Risk Factors

## Risks Related to Hypebeast

Hypebeast's business depends on its ability to offer digital media content and online retail products that attract visitors and online shoppers.

Hypebeast depends on the Internet traffic to its websites for the operation of its business.

Hypebeast relies on its e-commerce suppliers to supply goods for sale on its e-commerce platform.

Hypebeast generally does not enter into long term business contracts with its customers.

Hypebeast's business depends on its ability to maintain existing relationship with brand owners and advertising agencies and its ability to attract new digital media customers to place advertisements with it.

Hypebeast relies on customers in the fashion industry.

Hypebeast's business depends on a strong brand, which it might not be able to maintain or enhance, and unfavorable customer feedback or negative publicity could adversely affect its brand.

Any unauthorized use of Hypebeast's brand name or any other intellectual property infringements by third parties, and the expenses incurred in protecting such intellectual property rights, may adversely affect Hypebeast's business and reputation.

Hypebeast is subject to regulatory risks related to its VIE structure.

Hypebeast may not be able to sustain the growth of revenue and profitability that it experienced historically.

Hypebeast's international footprint exposes it to a variety of different local legal, regulatory, tax, payment, and cultural standards which it might fail to comply with.

Hypebeast relies on third-party courier to deliver goods to e-commerce customers and third-party suppliers for technical and payment services.

Hypebeast may be liable for its users' privacy being compromised which may materially and adversely affect its reputation and business.

Hypebeast is subject to product liability risk for the goods sold on its e-commerce platform.

## Risks Related to Business Combination

There can be no assurance that Hypebeast's shares will be approved for listing on the Nasdaq or that Hypebeast will be able to comply with the continued listing standards of the Nasdaq.

If the Business Combination's benefits do not meet the expectations of investors or securities analysts, the market price of Iron Spark's shares or, following the closing, Hypebeast's shares, may decline. A market for Hypebeast's shares may not continue, which would adversely affect the liquidity and price of Hypebeast's shares.

Following the consummation of the Business Combination, Hypebeast will incur significant increased expenses and administrative burdens as a dual-listed company, which could have an adverse effect on its business, financial condition and results of operations.

## Risks Related to Redemption of Iron Spark's Shares

If a shareholder fails to receive notice of Iron Spark's offer to redeem the public shares in connection with the Business Combination, or fails to comply with the procedures for tendering its shares, such shares may not be redeemed.

Iron Spark does not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for Iron Spark to complete the Business Combination with which a substantial majority of its shareholders do not agree.

The foregoing summarizes certain of the general risks related to the business of Hypebeast and the proposed business combination, and such list is not exhaustive. The foregoing list has been prepared solely for assisting interested parties in making their own evaluation with respect to the business combination and not for any other purpose. You should carefully consider these risks and uncertainties together with other available information and should carry out your own diligence and consult with your own financial and legal advisors. A more expansive description of the key risk factors will be filed with the SEC as part of the Form F-4 registration statement referred to above and in subsequent filings with the SEC, and such risk factors will be more extensive than, and may differ significantly from, the above summary.

**APPENDIX II**

**LETTER FROM THE COMPANY'S REPORTING ACCOUNTANT**

## LETTER FROM THE COMPANY'S REPORTING ACCOUNTANT

3 April 2022

The Board of Directors  
Hypebeast Limited  
40/F, Cable TV Tower,  
No.9 Hoi Shing Road,  
Tsuen Wan, New Territories, Hong Kong

Dear Sirs,

Hypebeast Limited (the “**Company**”)

### **Revenue Estimate for the Year Ended 31 March 2022**

We refer to the estimate of the consolidated revenue of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2022 (the “**Revenue Estimate**”, see Appendix 1) set forth in the investment deck as attached in the Company’s announcement released on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) dated 3 April 2022 (the “**Announcement**”) in connection with the (i) very substantial acquisition in relation to the merger with Iron Spark involving issue of consideration shares under a specific mandate and (ii) proposed issue of subscription shares to PIPE investors under a specific mandate and (iii) share consolidation.

### **Directors’ Responsibilities**

The Revenue Estimate has been prepared by the directors of the Company based on the unaudited consolidated revenue of the Group for the eleven months ended 28 February 2022 and an estimate of the consolidated revenue of the Group for the remaining 1 month ended 31 March 2022.

The Company’s directors are solely responsible for the Revenue Estimate.

## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Revenue Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Revenue Estimate in accordance with the bases and assumptions adopted by the directors and as to whether the Revenue Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

## **Emphasis of Matter — Restriction on Distribution and Use**

We draw attention that this letter is prepared to provide opinion on the Revenue Estimate set out in the Announcement. As a result, the letter may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company without our prior written consent. You have also informed us that it is your intention to make available a copy of our report to the HKEX on non-recourse basis. For the avoidance of doubt, all duties and liabilities (including, without limitation, those arising from negligence or otherwise) to any third party, are specifically disclaimed. Accordingly, any other person who relies on this report does so entirely at their own risk. All duties and liabilities (including, without limitation, those arising from negligence or otherwise) to any third party are specifically disclaimed. As explained in our engagement letter governing this engagement, the Contracts (Rights of Third Parties) Ordinance does not apply, and only the signing parties to the engagement letter contract have any rights under it.

## **Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Revenue Estimate has been properly compiled in accordance with the bases and assumptions adopted by the directors as set out in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

Yours faithfully,

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

Enclosure: Extract of the estimated revenue for the year ended 31 March 2022 from the investment deck as attached in the Announcement

**Appendix 1 — Extract of estimated revenue for the year ended 31 March 2022 from the investment deck as attached in the Announcement**

Estimated revenue for the year ended 31 March 2022: Not less than US\$112 million

**APPENDIX III**

**LETTER FROM THE BOARD**

## LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST

*The following is the text of a letter from the Board prepared for the purpose of incorporation in this announcement.*

The Listing Division  
The Stock Exchange of Hong Kong Limited  
12/F, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

3 April 2022

Dear Sirs,

We refer to the announcement of Hypebeast Limited (the “**Company**”) dated 3 April 2022 (the “**Announcement**”). Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as those defined in the Announcement.

We refer to the estimated revenue of the Group for the year ended 31 March 2022 as stated in the Investor Presentation appended to the Announcement, which constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The directors of the Company hereby declare that:

- (i) the directors (collectively “**we**” or “**us**”) of the Company (together with its subsidiaries, the “**Group**”) have prepared the accompanying estimated revenue of the Group for the year ended 31 March 2022 (the “**Revenue Estimate**”) after due and careful enquiry;
- (ii) we confirm that the Revenue Estimate has been properly compiled in accordance with the bases and assumptions adopted by us as set out in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group in preparing its financial statements to comply with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
- (iii) on the bases and assumptions set out in the Announcement, the estimated revenue of the Group for the year ended 31 March 2022 would be no less than US\$112 million.

Yours faithfully,

For and on behalf of the Board

**Hypebeast Limited**

**Ma Pak Wing Kevin**

*Chairman and executive Director*