

## Risk Factors Comparison 2025-03-07 to 2024-04-17 Form: 10-K

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As a smaller reporting company under Rule 12b-2 of the Exchange Act, we are not required to include risk factors in this Report. However, the following is a partial list of material risks, uncertainties and other factors that could have a material effect on us and our operations:

- we are a blank check company and an early stage company with no revenue or basis to evaluate our ability to select a suitable business target;
- we may not be able to select an appropriate target business or businesses and complete our initial business combination, **including the Youlife Business Combination**, in the prescribed time frame;
- our expectations around the performance of a prospective target business or businesses, **such as Youlife**, may not be realized;
- we may not be successful in retaining or recruiting required officers, key employees or directors following our initial business combination, **including the Youlife Business Combination**;
- our officers and directors may have difficulties allocating their time between ~~us the Company~~ and other businesses and may potentially have conflicts of interest with our business or in approving our initial business combination;
- we may not be able to obtain additional financing to complete our initial business combination or reduce the number of shareholders requesting redemption;
- we may issue our shares to investors in connection with our initial business combination at a price that is less than the prevailing market price of our shares at that time;
- our shareholders may not be given the opportunity to choose the initial business target or to vote on the initial business combination;
- trust account funds may not be protected against third party claims or bankruptcy;
- an active market for our public securities may not develop and you will have limited liquidity and trading;
- our financial performance following a business combination with an entity may be negatively affected by their lack an established record of revenue, cash flows and experienced management;
- there may be more competition to find an attractive target for an initial business combination, which could increase the costs associated with completing our initial business combination and may result in our inability to find a suitable target;
- changes in the market for directors and officers liability insurance could make it more difficult and more expensive for us to negotiate and complete an initial business combination;
- **If we do not consummate the Youlife Business Combination**, we may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder our ability to complete our initial business combination and give rise to increased costs and risks that could negatively impact our operations and profitability;
- we may engage one or more of our underwriters or one of their respective affiliates to provide additional services to us after the initial public offering, which may include acting as a financial advisor in connection with an initial business combination or as placement agent in connection with a related financing transaction. Our underwriters are entitled to receive cash fees that will be released from the trust account only upon completion of an initial business combination. These financial incentives may cause them to have potential conflicts of interest in rendering any such additional services to us after the initial public offering, including, for example, in connection with the sourcing and consummation of an initial business combination;
- we may attempt to complete our initial business combination with a private company about which little information is available, **such as Youlife**, which may result in a business combination with a company that is not as profitable as we suspected, if at all;
- since our initial shareholders will lose their entire investment in us if our initial business combination is not completed (other than with respect to any public shares they may acquire during or after the initial public offering), and because our sponsor, officers and directors may profit substantially even under circumstances in which our public shareholders would experience losses in connection with their investment, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination;
- the value of the founder shares following completion of our initial business combination is likely to be substantially higher than the nominal price paid for them, even if the trading price of our ordinary shares at such time is substantially less than \$ 10. 20 per share (as of December 31, 2023);
- resources could be wasted in researching acquisitions that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we have not completed our initial business combination within the Combination Period, our public shareholders may receive only approximately \$ ~~10-11. 20-43~~ (as of December 31, ~~2023~~ **2024**) per share, or less than such amount in certain circumstances, on the liquidation of our trust account and our warrants will expire worthless;
- we may not be able to complete an initial business combination with certain potential target companies if a proposed transaction with the target company may be subject to review or approval by regulatory authorities pursuant to certain U. S. or foreign laws or regulations, including the Committee on Foreign Investment in the United States (“CFIUS”). Our Chief Executive Officer, Jian Zhang, a Chinese citizen, is the Manager of the sponsor, which controls approximately ~~35-70 . 3-9~~ % of our issued and outstanding ordinary shares, and therefore we or our sponsor may constitute a “foreign person” under CFIUS rules and regulations;
- recent increases in inflation and interest rates in the United States and elsewhere could make it more difficult for us to consummate an initial business combination;
- market conditions, economic uncertainty or downturns could adversely affect our business, financial condition, operating results and our ability to consummate a business combination;
- adverse developments affecting the financial services industry, including events or concerns involving liquidity, defaults or non-performance by financial institutions, could adversely affect our business, financial condition or results of operations, or our prospects;
- ~~21-~~ military conflicts in Ukraine, the Middle East or elsewhere may lead to increased volume and price volatility for publicly traded securities, or affect the operations or financial condition of potential target companies, which could make it more difficult for us to consummate an initial business combination;
- if our initial business combination involves a company organized under the laws of a state of the United States, it is possible the Excise Tax will be imposed on us in connection with redemptions of our ordinary shares after or in connection with such initial business combination; ~~and~~ • there is substantial doubt about our ability to continue as a “going concern -;”
- **we** ~~Periodic Reporting and Financial Information~~ **We**

have registered **identified a material weakness in our ordinary internal control over financial reporting as of December 31, 2024. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results;** 29 • **our public shareholders' exercise of redemption rights with respect to a large number of public shares ; rights in the Second Extension Meeting may affect our ability to complete and an warrants initial business combination in the most desirable manner that will optimize the capital structure of the combined company, or at all; • changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination, and our results of operations; • if we are deemed to be an investment company under the Exchange Investment Company Act and have reporting obligations, including the requirement that we may be required to institute burdensome compliance** file annual, quarterly and current reports with the SEC. In accordance with the requirements of the Exchange Act, our annual reports, including this Report, contain financial statements audited and reported on by our independent registered public auditors. We will provide shareholders with audited financial statements of the prospective target business as part of the tender offer materials or **our activities** proxy solicitation materials sent to shareholders to assist them in assessing the target business. These financial statements may be **restricted** required to be prepared in accordance with, **which** or be reconciled to, U. S. GAAP or IFRS, depending on the circumstances and the historical financial statements may **make it difficult** be required to be audited in accordance with PCAOB standards. These financial statement requirements may limit the pool of potential target businesses we may acquire because some targets may be unable to provide such financial statements in time for us to disclose such financial statements in accordance with federal proxy rules and complete our initial business combination ; **and • within the prescribed time frame. While this may limit the pool of potential business combination candidates, we do may be subject to interest and penalties of 50 % to 500 % if it is determined that we did not pay** believe that this limitation will be material. We will be required to evaluate our internal control procedures for the fiscal year ended December 31, 2023 as required by the Sarbanes-Oxley Act. Only in the event we are deemed to be a large accelerated filer or an accelerated filer, and no longer qualify as an emerging growth company, will we be required to have our internal control procedures audited. A target business may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of their internal controls. The development of the internal controls of any **applicable underpayment of Chinese income taxes** such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such acquisition. We have filed **received a deficiency notice** Registration Statement on Form 8-A with the SEC to voluntarily register our securities under Section 12 of the Exchange Act. As a result, we are subject to the rules and regulations promulgated under the Exchange Act. We have no current intention of filing a Form 15 to suspend our reporting or other obligations under the Exchange Act prior or subsequent to the completion of our initial business combination. We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As such, we are eligible to take advantage of certain exemptions from **Nasdaq** various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote **compliance with the minimum requirement for the market value of listed securities. If we cannot regain compliance with this requirement, our securities will be subject to delisting from Nasdaq and the liquidity and the trading price of its securities could be adversely affected. On January 7, 2025, we received a deficiency letter from the Listing Qualifications Department (the “ Staff ”) of Nasdaq notifying us that, for the preceding 32 consecutive business days, our Market Value of Listed Securities (“ MVLS ”) was below the \$ 50 million minimum requirement for continued inclusion on The Nasdaq Global** executive compensation and shareholder approval of any golden parachute payments not previously approved. If some investors find our securities less attractive as a result, there may be a less active trading market **Market pursuant to Nasdaq Listing Rule 5450** for our securities and the prices of our securities may be more volatile. In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7( a-b ) (2) ( A B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following February 17, 2028, (b) in which we have total annual gross revenue of at least \$ 1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our ordinary shares that is held by non-affiliates exceeds \$ 700 million as of the end of the prior 22fiscal year’ s second fiscal quarter, and (2) the date on which we have issued more than \$ 1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” shall have the meaning associated with it in the JOBS Act. Additionally, we are a “smaller reporting company” as defined in Rule 10(f) ( 1 **the “ MVLS Requirement ”** ) of Regulation S-K. **The notification did not** Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our ordinary shares held by non-affiliates exceeds \$ 250 million as of the end of that year’ s second fiscal quarter, or (2) our annual revenues exceeded \$ 100 million during such completed fiscal year and the market value of our ordinary shares held by non-affiliates exceeds \$ 700 million as of the end of that year’ s second fiscal quarter. We are a Cayman Islands exempted company. Exempted companies are Cayman Islands companies conducting business mainly outside the Cayman Islands and, as such, are exempted from complying with certain provisions of the Companies Act. As an exempted company, we have applied for and **an immediate** received a tax exemption undertaking from the Cayman Islands government that, in accordance with Section 6 of

the Tax Concessions Act (Revised) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law that is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations will apply to us or our operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax will be payable (i) on or in respect of our shares, debentures or other obligations or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by us to our shareholders or a payment of principal or interest or other sums due under a debenture or other obligation of us. We may seek to further extend the Combination Period, which could have a material adverse effect on the amount held in our Nasdaq listing. **The Nasdaq rules provide us a compliance period of 180 calendar days, our trust account and until July 7, 2025, in which to regain compliance. If at anytime during this compliance period our MVLS closes at \$ 50 million or more for a minimum of ten consecutive business days, Nasdaq will provide us written confirmation of compliance. If we do not regain compliance with the adverse effects MVLS Requirement, our securities will be subject to delisting from Nasdaq. If Nasdaq delists our securities from trading on its exchange our Company.** We may seek to further extend the Combination Period. Such an **and we are not able** extension would require the approval of our public shareholders, who will be provided the opportunity to **list** redeem all or **our securities** a portion their public shares. Such redemptions will likely have a material adverse effect on the amount held in our trust account, our capitalization, principal shareholders and other **another** impacts **national securities exchange, we expect our securities could be quoted on an over- the- counter market. If this were to our occur** Company or management team, **we** such as our ability to maintain our listing on Nasdaq. Cyber incidents or attacks directed at us or third parties could **face** result in information theft, data corruption, operational disruption and / or financial loss. We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with whom we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early-stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We also lack sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. Any of these occurrences, or a combination of them, could have material adverse consequences on our business and lead to financial loss. Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, including : **• appearing to be less attractive to potential target companies than an exchange listed SPAC; • a limited availability of market quotations for our securities; • reduced liquidity for our securities; • a determination that our securities are a “ penny stock, ” which will require brokers trading in our securities to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; • a limited amount of news and analyst coverage; and • a decreased ability to negotiate and complete issue additional securities our- or obtain initial business combination, and results of operations.** We are subject to laws and regulations enacted by national- **additional financing in**, regional and local governments. In particular, we are required to comply with certain SEC and other- **the future** legal requirements and numerous complex tax laws. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, **if a failure to comply with applicable laws or our securities are delisted from Nasdaq, offers and sales of our securities may be subject to state securities** regulations- **regulation**, as interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, and results of operations. On January 24, 2024, the SEC adopted the 2024 SPAC Rules requiring, among other matters, (i) additional disclosures relating to SPAC business combination transactions ; (ii) additional disclosures relating to dilution and to conflicts of interest involving sponsors and their affiliates in both SPAC initial public offerings and business combination transactions; (iii) additional disclosures regarding 23 projections included in SEC filings in connection with proposed business combination transactions ; and (iv) the requirement that both the SPAC and its target company be co-registrants for business combination registration statements. In addition, the SEC’s adopting release provided guidance describing circumstances in which a SPAC could become subject to regulation under the Investment Company Act, including its duration, asset composition, business purpose, and the activities of the SPAC and its management team in furtherance of such goals. Compliance **compliance** with the 2024 SPAC Rules and related guidance may (i) increase the costs of and the time needed to negotiate and complete an initial business combination and (ii) constrain the circumstances under which we could affect our ability to complete an initial business combination. **30** If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete our initial business combination. The SEC’s adopting release with respect to the 2024 SPAC Rules provided guidance relating to the potential status of SPACs as investment companies subject to regulation under the Investment Company Act and the regulations thereunder. Whether a SPAC is an investment company is dependent on specific facts and circumstances and we can give no assurance that a claim will not be made that we have been operating as an unregistered investment company. If we are deemed to be an investment company under the Investment Company Act, our activities may be restricted, including (i) restrictions on the nature of our investments; and (ii) restrictions on the issuance of securities, each of which may make it difficult for us to complete our initial business combination. In addition, we may have imposed upon us burdensome requirements, including: (i) registration as an investment company; (ii) adoption of a specific form of corporate structure; and (iii) reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations. In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting or trading in securities and that our activities do not include investing, reinvesting, owning, holding or trading “ investment securities ” constituting more than 40 % of our

total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. We are mindful of the SEC's investment company definition and guidance and intend to complete an initial business combination with an operating business, and not with an investment company, or to acquire minority interests in other businesses exceeding the permitted threshold. We do not believe that our business activities will subject us to the Investment Company Act. To this end, the proceeds held in the trust account are invested only in U. S. government treasury obligations with a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U. S. government treasury obligations; the holding of these assets in this form is intended to be temporary and for the sole purpose of facilitating the intended business combination. To mitigate the risk that we might be deemed to be an investment company for purposes of the Investment Company Act, which risk increases the longer that we hold investments in the trust account, we may, at any time, instruct Continental, as trustee of the trust account, to liquidate the investments held in the trust account and instead to hold the funds in the trust account in cash or in an interest-bearing demand deposit account at a bank. Pursuant to the trust agreement entered into between us and Continental, Continental is not permitted to invest in securities or assets other than as described above. By restricting the investment of the proceeds to these instruments, and by having a business plan targeted at acquiring and growing businesses for the long term (rather than on buying and selling businesses in the manner of a merchant bank or private equity fund), we intended to avoid being deemed an "investment company" within the meaning of the Investment Company Act. Our initial public offering was not intended for persons who were seeking a return on investments in government securities or investment securities. The trust account is intended solely as a temporary depository for funds pending the earliest to occur of: (i) the completion of our initial Business Combination; (ii) the redemption of any public shares properly submitted in connection with a shareholder vote to amend our amended and restated memorandum and articles of association (x) in a manner that would affect the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination within the Combination Period; or (y) with respect to any other provision relating to the rights of holders of shares of our Class A 24