

PEGASUS ASIA ANNOUNCEMENT FOR QUARTERLY UPDATES PURSUANT TO RULE 754(3) AND PRACTICE NOTE 6.4

INTRODUCTION

Pursuant to Rule 754(3) and Practice Note 6.4 of the SGX-ST Listing Manual, the Board of Directors of the Company (the “Board”) wishes to announce the following updates for the period commencing on 1 April 2023 and ended 30 June 2023.

(a) General description of the issuer’s operating expenses and the total amount spent;

Total operating expenses for period from 1 April 2023 and ended 30 June 2023 of S\$698,298 were attributed to the following:

- Legal and professional fees of S\$495,342;
- Directors’ fees of S\$96,500;
- Accounting, tax and audit fees of S\$27,640;
- Secretarial and other related fees of S\$18,733;
- Miscellaneous expenses of S\$60,083 comprise of:
 - 1) Salaries and wages; and
 - 2) Administrative expenses

(b) Detailed description, analysis and discussion on the top 5 highest amount of operating expenses;

The top 5 highest amount of operating expenses in the 2nd quarter of FY 2023 comprise of:

- 1) Legal and professional fees of S\$495,342 relates to services provided in connection with our ongoing exploration of a potential business combination.
- 2) Directors’ fees of S\$96,500 relates to independent directors
- 3) Administrative expenses and wages of S\$60,083
- 4) Accounting, tax and audit fees of S\$27,640
- 5) Secretarial and other related fees of \$18,733

(c) A statement by the directors of the issuer on whether there is any circumstance that has affected or will affect the business and financial position of the issuer;

As at the date of this Announcement, the Board is of opinion that there is no circumstance that has affected or will affect the business and financial position of the issuer.

(d) Commentary from the directors of the issuer on the direction of the business combination, including any change to the objective, strategy, status and capital of the issuer;

As a special purpose acquisition company, the Company continuously reviews strategic options to identify and consummate an initial business combination. Discussions with a potential business combination target remains ongoing and there are no material updates currently. As at the date of this Announcement, the Company has not entered into any written binding agreement on the

substantive terms for such a transaction. There is no change to the direction of the business combination, including objective, strategy, status and capital of the issuer, as disclosed in the IPO prospectus.

(e) **In relation to the funds placed in the escrow account, the composition of the permitted investments, the issuer's investment strategy, market and credit risks for such investments; and**

99.9% of the proceeds raised from the IPO offering was placed in the escrow account. As at 30 June 2023, prior to any withdrawal of interest as disclosed below, the amount in the escrow account (inclusive of interest accrued) was S\$156,230,898.

(f) **Brief explanation of the status of (i) utilisation of proceeds from IPO, compared with the disclosure of the intended use of proceeds in the prospectus, segregated between those placed in the escrow account from those which are not, including explanation for any material deviation in the use of proceeds; and (ii) utilisation of any interests and income derived from the amounts placed in the escrow account.**

Operating expenses of S\$5,641,071 for period from 13 October 2021 (date of incorporation) to 31 March 2022 in connection with the offering was higher than the total estimated expenses of S\$4,090,000 in the prospectus. This was largely due to higher IPO related expenses incurred by the Company compared to the estimated legal and professional fees. The details and explanation of the material variances incurred in connection with the IPO are shown below:

	Prospectus	Actual	Variance	Note
	S\$'000	S\$'000	%	
Underwriting commission and expenses	2,394	2,587	7.5	1
Legal fees	821	1,532	46.4	2
Professional fees	412	563	26.9	3
Listing fees	128	128	-	
Insurance	-	432	Nm	4
Other expenses	335	399	15.8	5
Total	4,090	5,641		

Notes

- 1** The variance is due to underwriting fees related to public offering and lead issue manager's fees previously not included.
- 2** The variance is mainly attributable to increase in legal fees from estimates incurred in Singapore, Cayman and US counsels for the purposes of IPO offering.
- 3** The variance is mainly attributable to increase professional fees in audit and valuation of financial instruments.
- 4** The variance is mainly attributable to Directors and Officers insurance previously not included as IPO expenses.
- 5** The variance is mainly attributable to operating costs incurred on administrative and staff salaries not included as IPO expenses.

Excluding the expenses incurred in connection with the offering as described above, operating expenses incurred up to 31 March 2023 of approximately S\$1,867,128¹ is largely due to directors' fees and professional fees. The expenses incurred for the quarter up to 30 June 2023 of S\$698,298 was for operating expenses as explained in part (a).

- i. The utilisation of proceeds from the Private Placement (as defined in the prospectus) is in line with the disclosure of the intended use of proceeds in the prospectus. The IPO proceeds placed in the escrow account (excluding the interests income) are not used for operating expenses incurred by the Company to date.
- ii. Subsequent to the quarter ended 30 June 2023, in July 2023, there was a withdrawal of interest income of S\$700,000 derived from the amounts placed in the escrow account for utilisation in connection with ongoing exploration of a potential business combination and for working capital purposes.

¹ Excluding the expenses incurred in connection with the offering as described in the first paragraph of part (f), operating expenses incurred up to 31 December 2022 was [S\$1,397,616].