

Product Highlights Sheet for the Prospectus Dated 13 January 2022



PEGASUS ASIA

(Company Registration Number CT-382031)
(Incorporated in the Cayman Islands on 13 October 2021)

Offering in respect of 25,600,000 Offering Units
(each Unit consisting of one Share and a one-half of one Public Warrant)
Offering Price: S\$5.00 per Offering Unit
(subject to the Over-allotment Option and Put Option)

Prior to making a decision to purchase the Units, you should carefully consider all the information contained in the Prospectus carefully and whether you understand what is described in the Prospectus. This Product Highlights Sheet should be read in conjunction with the Prospectus. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. You should also consider whether an investment in the Units is suitable for you taking into account your investment objectives and risk appetite. If you are in doubt as to investing in the Units, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Units contained in the Prospectus. It complements the Prospectus¹.
- You should not purchase the Units if you do not understand the nature of an investment in shares or warrants of a company, our business or are not comfortable with the accompanying risks.
- If you wish to purchase the Units, you will need to make an application in the manner set out in the Prospectus. If you do not have a copy of the Prospectus, please contact our Company or the Joint Bookrunners and Underwriters to ask for one.

| Issuer | Pegasus Asia (the “Company”) | Place of incorporation | Cayman Islands |
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| Details of this offer | Total number of Units to be offered under the Offering (subject to the Over-allotment Option): 25,600,000 Offering Units, comprising: (i) 25,000,000 Offering Units under the International Offering; and (ii) 600,000 Offering Units under the Singapore Public Offer. | Total amount to be raised in this offer | Gross proceeds of S\$128,000,000 will be raised from the issue of the Offering Units (assuming the Put Option is exercised in full) (or S\$148,000,000 assuming the Put Option is not exercised). In connection but separate from the Offering, our Sponsors have agreed to subscribe for an aggregate of: (i) 8,500,000 Founder Shares (or 7,500,000 Founder Shares if the Put Option is exercised in full) for an aggregate purchase price of S\$7,752,000 (or S\$6,840,000 if the Put Option is exercised in full); (ii) 4,400,000 Full |

¹ The Prospectus, lodged with and registered by the Monetary Authority of Singapore (the “MAS”) on 6 January 2022 and 13 January 2022 respectively, may be obtained on request, subject to availability, during office hours, from Citigroup Global Markets Singapore Pte. Ltd., UBS AG, Singapore Branch, China International Capital Corporation (Singapore) Pte. Limited, Oversea-Chinese Banking Corporation Limited and UOB Kay Hian Private Limited at their respective addresses stated in the Prospectus and where applicable, members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website: <http://www.sgx.com> and the MAS’s OPERA website at <https://eservices.mas.gov.sg/opera/>.

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| | | | Consideration Founder Units for an aggregate purchase price of S\$22,000,000; and (iii) 16,150,000 Founder Warrants (or 14,250,000 Founder Warrants if the Put Option is exercised in full) for an aggregate purchase price of S\$323,000 (or S\$285,000 if the Put Option is exercised in full). |
| Offering Price | S\$5.00 per Offering Unit | Listing status of Issuer and the Securities | An application has been made to the SGX-ST for permission to list, among others, all the Units, the Shares, the Public Warrants and the new Shares to be issued upon exercise of the Warrants (including the Founder Warrants) and the conversion of Founder Shares upon completion of a Business Combination in accordance with the Promote Schedule. The Listing Date is expected to be on 21 January 2022. |
| Joint Issue Managers and Global Coordinators | Citigroup Global Markets Singapore Pte. Ltd. and UBS AG, Singapore Branch | Joint Bookrunners and Underwriters | Citigroup Global Markets Singapore Pte. Ltd., UBS AG, Singapore Branch, Oversea-Chinese Banking Corporation Limited, China International Capital Corporation (Singapore) Pte. Limited and UOB Kay Hian Private Limited. |
| Joint Global Coordinator, Bookrunner and Underwriter | Oversea-Chinese Banking Corporation Limited | | |

OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

We are a special purpose acquisition company incorporated for the purpose of entering into a business combination in the form of a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination (the “**Business Combination**”). We will not engage in any operations, other than in connection with the selection, structuring and completion of the Business Combination. Our Company does not have any specific Business Combination under consideration and will not engage in substantive negotiations with any target company or business until after the Listing.

Our Sponsors, Tikehau Capital, Financière Agache, Diego De Giorgi and Jean Pierre Mustier collectively have an extensive proprietary network and resources to search and evaluate targets. Consistent with the strategy of various funds owned or operated by our Sponsors, we plan to focus on businesses in technology-enabled sectors, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services, primarily, but not exclusively, in APAC. We seek to help such businesses pursue their ambition by providing patient capital and operational support to the companies we invest in, making a transformative impact and creating value. We expect that this will result in attractive initial business combination opportunities and attractive risk-adjusted returns.

Our business strategy is to identify and consummate an initial business combination with a company that has a strong track record in terms of opportunistic accretive and value-creating operations with significant upside from product offerings expansion, client base diversification and business mix rebalancing, so as to generate long-term shareholder value. We intend to concentrate our efforts on identifying businesses in technology-enabled, disruptive, new-economy sectors that have operations primarily centred in Asia Pacific, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services. These businesses will offer multiple opportunities that drive sustained growth, capitalizing on key secular trends.

Refer to “*Summary – Overview*” on page 11 of the Prospectus, and “*Proposed Business and Strategy*” on pages 96 to 116 of the Prospectus for more information.

| WHO ARE OUR DIRECTORS AND KEY EXECUTIVES? | |
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| <p>Our Directors are Mr Neil Parekh (Chief Executive Officer and Non-Independent Director), Mr Jean-Baptiste Feat (Non-Independent Director and Non-Executive Director), Ms Chu Swee Yeok (Independent Director), Ms Su-Yen Wong (Independent Director) and Ms Eleanor Seet (Independent Director and Chairman).</p> <p>Our executive officers are Mr Neil Parekh (Chief Executive Officer and Non-Independent Director) and Mr Lin Yuxin (Chief Financial Officer).</p> | <p>Refer to “<i>Proposed Business and Strategy – Our Management Team and Board of Directors</i>” on pages 98 to 101 of the Prospectus for more information.</p> |
| WHO ARE OUR SPONSORS? | |
| <p>Tikehau Capital SCA through a subsidiary Bellerophon Financial Sponsor 3 SAS (together with Tikehau Capital SCA, “Tikehau Capital”), Financière Agache SA through a subsidiary Poseidon Asia Financial Sponsor SAS (together with Financière Agache SA, “Financière Agache”), Diego De Giorgi, and Jean Pierre Mustier, are the sponsors of our Company (the “Sponsors”). Our Sponsors bring together a team of professionals with operating, investing, diligence and capital raising experience to effect a Business Combination with a target. An affiliate of Financière Agache has been a shareholder of Tikehau Capital for the last 15 years, while Diego De Giorgi and Jean Pierre Mustier have worked together on mergers and acquisitions and capital markets transactions for over a decade.</p> | <p>Refer to “<i>Proposed Business and Strategy – About our Sponsors</i>” on pages 96 to 98 of the Prospectus for more information on our Sponsors.</p> |
| HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION? | |
| <p>We have neither engaged in any operations nor generated any revenues to date. Our only activities since inception have been organizational activities and those necessary to prepare for the Offering. Following the Offering, we will not generate any operating revenues until after completion of our initial Business Combination. We will generate non-operating income in the form of interest income on cash and cash equivalents after the Offering. There has been no significant change in our financial or trading position and no material adverse change has occurred since the date of our audited financial statements. After the Offering, we expect to incur increased expenses as a result of being a public listed company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses. We expect our expenses to increase substantially after the closing of the Offering.</p> | <p>Refer to “<i>Management’s Discussion and Analysis of Results of Operations and Financial Position</i>” on pages 89 to 95 of the Prospectus for more information.</p> |
| INVESTMENT HIGHLIGHTS | |
| WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS? | |
| <p>Business Strategy and Execution</p> <p>Our business strategy is to identify and consummate an initial business combination with a company that has a strong track record in terms of opportunistic accretive and value-creating operations with significant upside from product offerings expansion, client base diversification and business mix rebalancing, so as to generate long-term shareholder value. We intend to concentrate our efforts on identifying businesses in technology-enabled, disruptive, new-economy sectors that have operations primarily centred in Asia Pacific, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services. These businesses will offer multiple opportunities that drive sustained growth, capitalizing on key secular trends.</p> <p>Our primary investment focus will be on targets that are:</p> <ul style="list-style-type: none"> ● Disruptive and new-economy aligned: they challenge existing market norms and incumbents in large addressable markets, by utilizing either emerging technologies or new applications of existing technologies to develop innovative products or services that meet clear customer needs and use non-traditional business models to take advantage of new trends and developments across technologies and customer behaviour, including collaborative consumption, the sharing economy, and the gig economy, among others; and | <p>Refer to “<i>Proposed Business and Strategy</i>” on pages 96 to 116 of the Prospectus for more information on our strategies and future plans.</p> |

- **Technology-enabled:** these businesses strive for key processes and systems to be agile, digitalized, data-driven and highly scalable, including back-end infrastructure, supply chains and consumer insights.

We believe that our Sponsors' networks and business connectivity will enable the identification of businesses that are not only attractive on a standalone basis but particularly benefit from the collective investment and operational expertise of the Sponsors. Our Sponsors have either led or assisted a number of companies in improving their financial and operating performance and we believe that they will be able to contribute their experience and capabilities in investor and external relations, governance, sustainability and risk management to support any Business Combination that our Company may consummate. By leveraging our Sponsors' extensive track record and wealth of experience across a wide range of sectors globally, we are confident of securing a high quality Business Combination target for our Company.

In addition, our management team has:

- Experience in deal sourcing in the tech-enabled sectors through their proprietary network with unique market and business insights;
- Extensive access to strategic global resources and thematic expertise in partnership with international corporates in the target sectors;
- Established track record in executing high quality transactions; and
- Strong capabilities in helping portfolio companies achieve growth and value creation.

We believe that businesses that would be a natural fit are those whose growth would be accelerated with a listing, access to capital and further strategic guidance. Furthermore, we believe that the owners of a business or businesses target will look for and benefit from our Sponsors' experience. We also believe that a Business Combination is accretive to value creation, enabling the target to leverage the Sponsors' (i) blend of expertise, visibility and credibility, (ii) access to capital, (iii) geographical reach and (iv) financing expertise to accelerate their development or growth.

We expect our Company's structure to make it an attractive Business Combination partner to potential target businesses. As an existing public company, our Company offers a Business Combination target an alternative to the traditional initial public offering ("IPO") through a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination. Furthermore, once a Business Combination is completed, the Business Combination target will have effectively become public, whereas an IPO is always subject to the underwriters' ability to complete the offering, as well as general market conditions, which could delay or prevent an IPO from occurring, or negatively impact the valuation. We believe we can be a natural ally to existing shareholders of a prospective Business Combination target by providing them with attractive exit routes: confidential negotiations, limited valuation uncertainty, flexible tailor made transaction parameters and accelerated liquidity.

While our investment focus is on businesses in technology-enabled sectors, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services, primarily but not exclusively in APAC, we do not intend to limit our search to any one sector but will instead target a wide variety of businesses that deliver a solution, product or service to large Asian and global end-markets.

Our Competitive Advantage

We believe our Sponsors, executive officers and Directors have the relevant skillset and experience to identify companies that can best capture current market opportunities. We have a deep connectivity across Asia and a disciplined investment philosophy focused on strong partnerships and business fundamentals. We believe this combination will allow us to unlock proprietary opportunities in one of the world's fastest growing regions while delivering attractive returns to our investors. Our global capital markets expertise and strong buy side relationships can be leveraged to help our target company execute a path to sustainable growth. Following the Business Combination, we intend to be strategic partners to the management of the resulting issuer to provide deep operating capabilities and expertise to drive long-term value creation.

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| <p>We believe that the track record of our Sponsors, our Directors and executive officers in advising, investing in, and managing businesses illustrates our capabilities in identifying consumer needs, developing products and managing assets, distribution and technology. We intend to utilise this unique set of capabilities to generate strong shareholder returns.</p> <p>We anticipate that the networks of our Sponsors will provide us with access to a broad and diverse spectrum of opportunities. In addition to any potential Business Combination targets we may identify on our own, we expect that other potential Business Combination targets will be brought to our attention from various unaffiliated sources. Our Company’s acquisition strategy is holistic and will leverage the network of proprietary deal sources through our Sponsors in addition to our Company’s proactive outreach to seek potential deals and receptivity to inbound ideas.</p> <p>Upon the completion of the Offering, we expect that our Sponsors will communicate with their networks of relationships to articulate the parameters for our Company’s search for a target company and a potential Business Combination, and we will begin the process of pursuing and reviewing potential opportunities.</p> | |
| <p style="text-align: center;">WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?</p> | |
| <p>Save as disclosed in the Prospectus, including under the sections “<i>Important Notice – Forward-Looking Statements</i>”, “<i>Risk Factors</i>”, “<i>Capitalisation and Indebtedness</i>”, “<i>Proposed Business and Strategy</i>”, and “<i>Management’s Discussion and Analysis of Results of Operations and Financial Position</i>”, and barring any unforeseen circumstances, we are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition, in respect of the financial year ending 31 December 2022. Our Directors are not aware of any event which has occurred since 31 October 2021 and up to the Latest Practicable Date, which may have a material effect on the financial position and results of our Company.</p> | <p>Refer to “<i>Management’s Discussion and Analysis of Results of Operations and Financial Condition – Results of Operations and Known Trends, Prospects or Future Events</i>” on page 90 of the Prospectus for more information.</p> |
| <p style="text-align: center;">WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?</p> | |
| <p>We consider the following to be the most important key risks which had materially affected or could materially affect our business operations, financial position and results, and your investment in our Units.</p> <p>We are a newly incorporated entity with no operating history and will not commence operations prior to the Offering</p> <p>We lack an operating history, and therefore, investors have no basis on which to evaluate our ability to achieve our objective of identifying and conducting a Business Combination. Moreover, because we are searching for a target company or business in technology-enabled sectors, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services, primarily but not exclusively in Asia Pacific, it may be difficult for investors to evaluate the possible merits or risks of the target company or business in which our Company may invest the proceeds from the Offering.</p> <p>We have not entered into a written binding acquisition agreement for a Business Combination, nor engaged in advanced negotiations with high certainty of entering into a written binding acquisition agreement with respect to a potential Business Combination</p> <p>We have not entered into a written binding acquisition agreement for a Business Combination, nor engaged in advanced negotiations with high certainty of entering into a written binding acquisition agreement, with respect to a potential Business Combination.</p> | <p>Refer to “<i>Risk Factors</i>” on pages 34 to 65 of the Prospectus for more information on risk factors.</p> |

We may face significant competition for Business Combination opportunities

We expect to encounter intense competition in some or all of the Business Combination opportunities that our Company may explore, particularly due to the increased interest in technology-enabled sectors, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services, in Asia Pacific as an investment opportunity in the past few years. This may in turn reduce the number of potential targets available for a Business Combination or increase the consideration payable for such targets.

Our ability to diligence and negotiate a Business Combination on favourable terms could be adversely affected by a potential target company or business being aware of our limited business objective and the limited time to complete the Business Combination may decrease the time in which due diligence on potential target companies or businesses may be conducted as we approach the Business Combination Deadline

Sellers of potential target companies or businesses will likely be aware that we must complete a Business Combination by the Business Combination Deadline, failing which, subject to applicable laws, we will have to redeem the Shares, wind-up our operations and liquidate. The Business Combination must also be approved by Shareholders and will require our Company to call an extraordinary general meeting of Shareholders. Sellers may use the foregoing information as leverage in negotiations with us relating to a Business Combination, knowing that if our Company does not complete a Business Combination with a particular target company or business, we may be unable to complete a Business Combination with any other target companies or businesses within our required timeframe.

We cannot assure you that we will identify suitable Business Combination opportunities by the Business Combination Deadline, which could result in a loss of part of Shareholders' investment

We cannot estimate how long we will take to identify suitable Business Combination opportunities or whether we will be able to identify any suitable Business Combination opportunities at all by the Business Combination Deadline. If we fail to complete a proposed Business Combination, we may be left with substantial unrecovered transaction costs, potentially including substantial break fees, legal costs or other expenses payable. There is no assurance that the At-risk Capital and Sponsor Loan (if any) will be sufficient and in such event, we may be required to draw on the funds from the Escrow Account, to the extent permitted under the Listing Rules.

Our Company may face risks by combining with a target company or business which is likely to be in a technology-enabled sector

Our Company is targeting a Business Combination with a company or business which is likely to operate in a technology-enabled sector, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services, primarily but not exclusively in Asia Pacific. A Business Combination with a company or business in these sectors entail special considerations and risks.

We may be subject to significant regulatory requirements in connection with our efforts to enter into a company or business which is likely to be in a technology-enabled sector

Completing Business Combinations with businesses in a technology-enabled sector, including in consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services, are often subject to significant regulatory requirements and consents, such as obtaining regulatory pre-approvals from national or international supervisory authorities.

We may be liquidated before the completion of a Business Combination by the Business Combination Deadline, or may not be able to complete a Business Combination by the Business Combination Deadline, as a result of which we would cease all operations except for the purpose of winding up and we intend to redeem our Shares and liquidate, in which case the Shareholders may receive less than S\$5.00 per Share in certain circumstances and any outstanding Warrants will expire worthless

If our Company is liquidated before the completion of a Business Combination by the Business Combination Deadline, the liquidation proceeds per Share could be less than S\$5.00 and, in such cases, the Warrants would expire without value. In addition, a liquidation of our Company may take a significant amount of time. As a result, if we are unable to first redeem the Shares prior to a voluntary liquidation of our Company, the payments to be made to the Shareholders from the funds held in the Escrow Account may be delayed.

To the extent a Warrant Holder has not exercised its Warrants before the end of the period within which exercise is permitted, such Warrants will lapse worthless

Each whole Warrant (comprising two Partial Warrants) entitles the Warrant Holder to subscribe for one Share at a price of S\$5.75 per Share, subject to adjustments as set out in the Warrant T&Cs, during the Exercise Period. The Warrants will expire on the Expiration Date. To the extent a Warrant Holder has not exercised its Warrants within the Exercise Period, its Warrants will lapse worthless.

Investors may experience a dilution of their percentage ownership if they do not exercise their Warrants or if other investors exercise their Warrants

To the extent that investors do not exercise their Warrants, their proportionate ownership and voting interest in our Company will be reduced by the issue of Shares pursuant to the terms of the Warrants. The exercise of the Warrants, including by other Warrant Holders, will result in a dilution of the value of such investors' interests if the value of a Share exceeds the Exercise Price payable on the exercise of a Warrant at the relevant time. The potential for the issue of additional Shares pursuant to exercise of the Warrants could have an adverse effect on the market price of the Shares. Please see pages 55 and 56 of the Prospectus for further details.

We may redeem unexpired Public Warrants prior to their exercise at a time that is disadvantageous to Warrant Holders

Our Company has the ability to redeem the outstanding unexercised Public Warrants at any time after they become exercisable and prior to their expiration, if, among other things, the Reference Value equals or exceeds S\$5.00 per Share but is less than S\$9.00 or if the Reference Value equals S\$9.00 (in each case, as adjusted for adjustments to the number of Shares issuable upon exercise or the Exercise Price of a Warrant). Our ability to redeem the Public Warrants may cause you to exercise the Warrants or to otherwise dispose of your Warrants, at a time and in a manner which you may consider is disadvantageous to you.

Because each Unit comprises one Share and one-half of a Warrant and only a whole Warrant may be exercised, the Units may be worth less than units of other special purpose acquisition companies

Each Unit comprises one Share and one-half of a Warrant. Pursuant to the Warrant T&Cs, no fractional warrants will be issued upon replacement of the Units, and only whole Warrants will be tradeable. This is different from offerings of special purpose acquisition companies that may be listed elsewhere where a unit of a security comprises one ordinary share and one whole warrant to subscribe for one share.

Investors may experience a substantial dilution from the redemption of Shares in connection with a Business Combination

Investors may experience a substantial dilution from the redemption of Shares in connection with a Business Combination. By way of illustration: (a) after the initial Business Combination, but not including the effects on the share capital arising from the Business Combination, and assuming that 50% of the Shares (other than the Founder Shares and the Shares underlying the Full Consideration Units) are redeemed and no Warrants are exercised, our pro forma net asset value would be have been S\$85,067,856 or approximately S\$3.44 per Share, the dilution to investors in the Offering Units would be S\$1.56 per Share or 31.1% (assuming that the Put Option is exercised in full); and (b) after the initial Business Combination, but not including the effects on the share capital arising from the Business Combination, and assuming that all of the Shares (other than the Founder Shares and the Shares underlying the Full Consideration Units) are redeemed and no Warrants are exercised, our pro forma net asset value would be have been S\$21,067,856 or approximately S\$1.77 per Share, the dilution to investors in the Offering Units would be S\$3.23 per Share or 64.6% (assuming that the Put Option is exercised in full). Please see page 58 of the Prospectus for further details.

If third parties bring claims against us, the proceeds held in the Escrow Account could be reduced and the per-Share redemption amount received by Shareholders may be less than S\$5.00 per Share

Our placing of funds in the Escrow Account may not protect those funds from third party claims against us. Although we will seek to have all vendors and service providers we engage and prospective target businesses we negotiate with execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the Escrow Account for the benefit of our Shareholders, we may not be successful in negotiating such provisions or even if such provisions are agreed to, the third party may not be prevented from bringing claims against the Escrow Account. Additionally, if we are forced to file a bankruptcy or winding-up petition or an involuntary bankruptcy or winding-up petition is filed against us which is not dismissed, or if we otherwise enter compulsory or court supervised liquidation, the proceeds held in the Escrow Account could be subject to applicable bankruptcy or insolvency law, and may be included in our bankruptcy or insolvency estate and subject to the claims of third parties with priority over the claims of our Shareholders.

Our Sponsors paid a nominal price for the Founder Shares and, accordingly, investors will experience immediate and substantial dilution from the subscription of our Share underlying the Units

Our Sponsors acquired the Founder Shares at a nominal price. Accordingly, assuming the Put Option is exercised in full, Shareholders who invested in our Shares underlying the Offering Units as part of the Offering will incur an immediate and substantial dilution of approximately 88.8% or S\$4.44 per Share (the difference between the pro forma net asset value per Share of S\$0.56 and the Offering Price of S\$5.00 per Share). Please see page 58 of the Prospectus for further details.

Shareholders may face dilution of their shareholdings in the event that our Company raises additional equity funding after the Offering. In addition, overseas Shareholders may not be able to participate in future rights offerings or certain other equity issues by us and may experience dilution

We may require additional equity funding after the Offering. If we choose to issue new Shares in order to finance our Business Combination or for any other purpose, our Shareholders will face dilution of their shareholdings. In relation to any rights issue or preferential offering of Shares, we may, in our absolute discretion, elect not to extend an offer of the Shares under a rights issue or, as the case may be, preferential offering to those Shareholders whose addresses, as registered with CDP or recorded in our register of members, are outside Singapore. Accordingly, such Shareholders may be unable to participate in rights offerings and may experience a dilution in their shareholdings as a result.

You will not have any rights or interests in funds from the Escrow Account, except under certain limited circumstances. To liquidate your investment, therefore, you may be forced to sell your Units, Shares or Warrants

Our Shareholders will be entitled to receive funds from the Escrow Account only upon the earliest to occur of: (i) our completion of our Business Combination, and then only in connection with those Shares that such Shareholder properly elected to redeem, subject to the limitations described herein, and (ii) the redemption of our Shares issued in this Offering if a Liquidation Event occurs. In addition, if our plan to redeem our Shares if a Liquidation Event occurs is not completed for any reason, Cayman Islands law may require that we submit a plan of dissolution to our then-existing Shareholders for approval (where all then-existing Shareholders are entitled to vote). In that case, Shareholders may be forced to wait for a period of time before they receive funds from the Escrow Account. In no other circumstances will a Shareholder have any right or interest of any kind in the Escrow Account. Holders of the Warrants will not have any right to the proceeds held in the Escrow Account.

The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and your Units. Refer to “Risk Factors” on pages 34 to 65 of the Prospectus for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our Units, you should consider all the information contained in the Prospectus.

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

Pursuant to our amended and restated Memorandum of Association and amended and restated Articles of Association, we are authorised to issue 500,000,000 Class A ordinary shares of nominal or par value of S\$0.0001 each (being the Shares) and 50,000,000 Class B ordinary shares of nominal or par value of S\$0.0001 each (being the Founder Shares).

The Full Consideration Founder Units are identical to the Units being sold in the Offering, except that, pursuant to an undertaking to be provided by each of the Sponsors (the “**Sponsors’ Undertaking**”), the Full Consideration Founder Units cannot, among others, be redeemed in connection with the completion of our initial Business Combination and are subject to certain voting restrictions.

The Founder Shares are identical to the Shares underlying the Units being sold in the Offering, except that, pursuant to the Sponsors’ Undertaking, the Founder Shares cannot, among others, be redeemed in connection with the completion of our initial Business Combination and are subject to certain voting restrictions.

Each whole Warrant (comprising two Partial Warrants) entitles the Warrant Holder to subscribe for one Share at a price of S\$5.75 per Share, subject to adjustments in the Warrants T&Cs. The Founder Warrants have the same Exercise Period and expire at the same time as our Public Warrants. If the Founder Warrants are held by holders other than our Sponsors or their Permitted Transferees (as defined in the Warrant T&Cs), the Founder Warrants will be redeemable by us in all redemption scenarios and exercisable by the holders on the same basis as the Warrants included in the Units being sold in the Offering.

Refer to “*Share Capital and Shareholders*” on page 133 of the Prospectus and “*Description of our Units*” on page 143 of the Prospectus for more information.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

We intend to deposit into the Escrow Account:

- (a) 100% of the gross proceeds of the Offering, being S\$128,000,000 (assuming the Put Option exercised in full) (or S\$148,000,000 assuming the Put Option is not exercised); and
- (b) 100% of the gross proceeds from the sale of the Full Consideration Founder Units, being S\$22,000,000.

Except with respect to interest or other income earned on the funds held in the Escrow Account that may be released to us from time to time for certain permitted uses, the funds held in the Escrow Account will not be released from the Escrow Account until the earliest to occur of: (a) the redemption of our Shares of those Shareholders who validly elect to redeem their Shares upon our completion of an initial Business Combination; and (b) the redemption of our Shares in the event a Liquidation Event occurs, subject to compliance with the Listing Rules and applicable law.

The At-risk Capital will be held outside of the Escrow Account to cover the costs relating to the Offering and Listing, the search for a company or business for a Business Combination and for general corporate purposes and working capital requirements (which together constitute the “Costs Cover”). The Costs Cover together with the Deferred Underwriting Commission, constitute the “Total Costs”. Insofar as there are any costs in excess of the Total Costs (the “Excess Costs”), our Sponsors have agreed to fund, on a *pro rata* basis in accordance with their contribution to the At-risk Capital, up to S\$2,000,000 of the Excess Costs (the “Sponsor Loan”) through the issuance of loan or debt instruments by our Company, such as promissory notes, which may be repaid in cash or converted at the Offering Price into a maximum of 400,000 Loan Repayment Units (each comprising one Share and one Partial Warrant) at the option of the relevant Sponsor. The full amount of the Sponsor Loan (if any), will be held outside of the Escrow Account.

Refer to “*Use of Proceeds*” on page 68 of the Prospectus and “*The Sponsors’ at-Risk Capital and Other Contribution*” on page 75 of the Prospectus for more information.

WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

Our Company will not pay any dividends prior to completion of a Business Combination.

Refer to “*Dividends and Dividend Policy*” on page 66 of the Prospectus for more information.

DEFINITIONS

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|--------------------------------------|---|---|
| At-risk Capital | : | The Founder Shares and the Founder Warrants |
| Business Combination Deadline | : | The date falling 24 months from the Listing Date, subject to an extension in accordance with the Listing Rules |
| Directors | : | The directors of our Company as at the date of the Prospectus, unless otherwise stated |
| Exercise Period | : | The period (A) commencing on and including the date which is 30 days after the first date on which our Company completes a Business Combination and (B) terminating at 5:00 p.m. Singapore time on the Expiration Date, unless that date is a date on which the Register of Members and/or the Warrant Register of our Company is closed or is not a Market Day, in which event the Exercise Period shall end on the Market Day prior to the closure of the Register of Members and/or the Warrant Register or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of Members and/or the Warrant Register may be closed pursuant to the Warrant T&Cs |
| Expiration Date | : | The date on which the Warrants expire, as further set out in the Prospectus |
| Founder Shares | : | The 8,500,000 Class B ordinary shares (or 7,500,000 Class B ordinary shares if the Put Option is exercised in full) with a nominal or par value of S\$0.0001 each in our Company which our Sponsors have agreed to subscribe for in aggregate |

| | |
|---|---|
| Founder Warrants: | : The 16,150,000 Warrants (or 14,250,000 Warrants if the Put Option is exercised in full) which our Sponsors have agreed to subscribe for in aggregate |
| Full Consideration Founder Units | : The 4,400,000 Units which our Sponsors have agreed to subscribe for in aggregate |
| International Offering | : The international placement of Offering Units to investors, including institutional and other investors in Singapore, outside the United States of America in reliance on Regulation S under the Securities Act and inside the United States of America to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A under the Securities Act (“ Rule 144A ”), pursuant to Rule 144A, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws or regulations of any state of the United States of America |
| Latest Practicable Date | : 31 December 2021, being the latest practicable date prior to the lodgement of the Prospectus with the MAS |
| Listing | : The listing of the Units on the Mainboard of the SGX-ST |
| Listing Date | : The date of commencement of dealing in the Units on the SGX-ST |
| Listing Rules | : Listing Manual of the SGX-ST |
| Market Day | : A day on which the SGX-ST is open for trading in securities |
| Offering | : The International Offering and the Singapore Public Offer |
| Offering Price | : S\$5.00 for each Offering Unit |
| Offering Units | : 25,600,000 Units offered by our Company in the Offering, each Unit consisting of one Share and a one-half of one Public Warrant |
| Over-allotment Option | : The over-allotment option granted by our Company to the Joint Bookrunners and Underwriters, exercisable by the Stabilising Manager (or persons acting on its behalf), in full or in part, on one or more occasions, to procure subscriptions for, and failing which, to subscribe for up to an aggregate of 4,000,000 Units at the Offering Price, representing approximately 15.6% of the total number of Offering Units, solely to cover the over-allotment of Units (if any), made in connection with the Offering |
| Prospectus | : The prospectus of our Company dated 13 January 2022 |
| Put Option | : The put option granted by our Company to the Stabilising Manager |
| Reference Value | : Has the meaning ascribed to it in the Prospectus |
| SFA | : Securities and Futures Act 2001 of Singapore |
| SGX-ST | : Singapore Exchange Securities Trading Limited |
| Securities Act | : The United States Securities Act of 1933, as amended |
| Singapore Public Offer | : An offering of Offering Units by way of a public offer in Singapore |
| Shares | : Class A ordinary shares with a nominal or par value of S\$0.0001 each in our Company |
| Units | : Securities consisting of one Share and one-half of a one Warrant |
| Warrant Holder | : Holder of Warrants |
| Warrants | : Warrants to be issued by our Company |
| Warrant T&Cs | : The terms and conditions of our Warrants as set out in the instrument constituting the Warrants, and in Appendix B to the Prospectus |

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

HOW DO YOU CONTACT US?

The Company

Pegasus Asia

Address : 1 Wallich Street, #15-03 Guoco Tower, Singapore 078881

Telephone No. : +65 6718 2111

Website : www.pegasus-asia.com

The Joint Bookrunners and Underwriters

Citigroup Global Markets Singapore Pte. Ltd.

Address : 8 Marina View #21-00, Asia Square Tower 1, Singapore 018960

Telephone No. : +65 6657 1959

UBS AG, Singapore Branch

Address : 9 Penang Road, Singapore 238459

Telephone No. : +65 6495 8000

China International Capital Corporation (Singapore) Pte. Limited

Address : 6 Battery Road, #33-01 Singapore 049909

Telephone No. : +65 6572 1999

Oversea-Chinese Banking Corporation Limited

Address : 63 Chulia Street, #10-00 OCBC Centre East, Singapore 049514

Telephone No. : 1800 363 3333

UOB Kay Hian Private Limited

Address : 8 Anthony Road #01-01, Singapore 229957

Telephone No. : +65 6535 6868