

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

FST Corp.

N/A

(Translation of registrant’s name into English)

Cayman Islands	3827	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

No. 3, Gongye 1st Rd., Minxiong Township

Chiayi County 621018, Taiwan

Tel: +886 5221-2555

(Address, including zip code, and telephone number, including area code, of registrant’s principal executive offices)

COGENCY GLOBAL INC.

122 East 42nd Street, 18th Floor,

New York, NY 10168

(212) 947-7200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement and upon completion of the business combination described in the enclosed Registration Statement/Proxy Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction: Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this Registration Statement/Proxy Statement is not complete and may be changed. The Registrant may not sell these securities until the Securities and Exchange Commission declares the registration statement effective. This Registration Statement/Proxy Statement is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction or state where the offer or sale is not permitted.

PRELIMINARY, SUBJECT TO COMPLETION, DATED , 2024

PROXY STATEMENT FOR EXTRAORDINARY GENERAL MEETING
OF SHAREHOLDERS OF CHENGHE ACQUISITION I CO.
AND PROSPECTUS FOR UP TO 61,591,873 ORDINARY SHARES, 14,400,000 WARRANTS AND 14,400,000

ORDINARY SHARES ISSUABLE UPON THE EXERCISE OF THE WARRANTS OF FST CORP.

On December 22, 2023, Chenghe Acquisition I Co., a Cayman Islands exempted company with limited liability (“**Chenghe**” or “**SPAC**”), entered into a Business Combination Agreement (the “**Business Combination Agreement**”) with FST Corp., a Cayman Islands exempted company with limited liability (“**CayCo**”), FST Merger Ltd., a Cayman Islands exempted company with limited liability and a direct wholly owned subsidiary of CayCo (“**Merger Sub**”), and Femco Steel Technology Co., Ltd., a company limited by shares incorporated and in existence under the laws of Taiwan with uniform commercial number of 04465819 (“**FST**” and together with CayCo and Merger Sub, the “**FST Parties**”), pursuant to which, among other transactions, on the terms and subject to the conditions set forth therein, Merger Sub shall be merged with and into Chenghe with Chenghe being the surviving company and as a direct, wholly owned subsidiary of CayCo (the “**Merger**”), and Chenghe will change its name to “FST Ltd.” (the “**Business Combination**”). The closing of the Business Combination will be conditional upon, among other things, the closing of the FST Restructuring (the “**FST Restructuring Closing**”) (as discussed further below). The time of the closing of the Business Combination is referred to herein as the “**Closing**.” The date of the Closing of the Business Combination is referred to herein as the “**Closing Date**.”

FST Restructuring

To maximize CayCo’s control over FST’s business and operations after the Closing and enhance the efficiency of future fundraising, the parties intend to have each existing FST Shareholder exchange the Company Shares held by it, him or her with CayCo Ordinary Shares, so that at the Closing, or as soon as practicable thereafter, CayCo will be the sole shareholder of FST. Pursuant to the Business Combination Agreement, CayCo shall have acquired at least 90% of all issued and outstanding Company Shares on or prior to the Closing. Such restructuring is expected to be effected in two phases.

The FST Parties will use their respective best efforts to cause each other counterparties thereto to execute and deliver (i) the Phase I Restructuring Documents with the relevant parties thereto within seventy-two (72) calendar days after the date of the Business Combination Agreement, pursuant to which CayCo will acquire 55% of the Aggregate Fully Diluted Company Shares, and (ii) the Phase II Restructuring Documents (and together with Phase I Restructuring Documents, the “**Company Restructuring Documents**”) as soon as reasonably practicable and legally feasible and in no event later than thirty (30) Business Days after the Financial Supervisory Commission of Taiwan issues its approval for the termination of the Company’s Taiwan Public Company status. The FST Parties will use their respective best efforts to procure the Company Restructuring Documents to be executed with each of the relevant parties thereto such that the Company Acquisition Percentage shall be at least 90%. The purchase and acquisition of the Company Shares by CayCo in accordance with the FST Restructuring Documents at the FST Restructuring Closing shall be referred to as the “**Company Acquisition**”.

The FST Parties agree that the Company Restructuring Documents shall provide that at the FST Restructuring Closing, CayCo shall issue and allot to each FST Shareholder who has agreed to so subscribe (“**Company Shareholders Subscription**” and together with Company Acquisition, the “**FST Restructuring**”) in

respective of each Company Share owned by such person, a number of CayCo Ordinary Shares that is no more than the Subscription Factor, subject to any adjustment in relation to the issuance of fractional shares as set forth in the Business Combination Agreement.

The FST Restructuring Closing shall take place one (1) Business Day before the Closing Date or such other time and place as Chenghe and FST may mutually agree.

As soon as practicable and to the extent legally feasible under applicable laws after the Closing, FST shall use reasonable best efforts to enter into and consummate (a) a transaction with CayCo for CayCo to acquire the Company Shares owned by the Company Shareholders who choose not to participate in the FST Restructuring or (b) other alternative transactions to be agreed by Chenghe Investment I Limited (the “**New SPAC Sponsor**”) and FST. At the consummation of such share exchange transaction, CayCo will be the sole shareholder of FST.

The Merger

Pursuant to the Business Combination Agreement, at the Merger Effective Time, and in respect of SPAC Class B Conversion, immediately prior to the Merger Effective Time, (i) each outstanding SPAC Unit (“**SPAC Unit**”), consisting of one (1) SPAC Class A Ordinary Share and one-half (1/2) of one (1) SPAC Warrant, will be automatically separated

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(“**Unit Separation**”) and the holder thereof will be deemed to hold one (1) SPAC Class A Ordinary Share and one-half (1/2) of one (1) SPAC Warrant; (ii) each SPAC Class B Ordinary Share that is issued and outstanding immediately prior to the Merger Effective Time shall be automatically converted into one (1) SPAC Class A Ordinary Share (the “**SPAC Class B Conversion**”) and each SPAC Class B Ordinary Share shall no longer be issued and outstanding and shall automatically be cancelled and cease to exist; (iii) each SPAC Class A Ordinary Share (which for the avoidance of doubt, includes the SPAC Class A Ordinary Shares (A) issued in connection with the SPAC Class B Conversion; and (B) held as a result of Unit Separation) shall be converted into the right to receive one (1) CayCo Ordinary Share; and (iv) each SPAC Warrant that is outstanding and unexercised shall be automatically converted into the right to receive a CayCo Warrant, which shall be on the same terms and conditions as the applicable SPAC Warrant.

At the Closing, in accordance with the Companies Act (As Revised) of the Cayman Islands, Merger Sub will merge with and into Chenghe, the separate corporate existence of Merger Sub will cease and Chenghe will be the surviving corporation and a wholly-owned subsidiary of CayCo.

Proposals to approve the Business Combination Agreement and the other matters discussed in this Registration Statement/Proxy Statement will be presented at the extraordinary general meeting (the “**Extraordinary General Meeting**”) of Chenghe Shareholders scheduled to be held at [•] a.m. Eastern Time, on [•], 2024, at [•] and via live webcast at [•].

Although CayCo is not currently a public reporting company, following the effectiveness of the registration statement of which this Registration Statement/Proxy Statement is a part and the Closing, CayCo will become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). CayCo intends to apply for listing of the CayCo Ordinary Shares on either The New York Stock Exchange (“NYSE”) or Nasdaq Stock Market LLC (“Nasdaq”) (either, the “Stock Exchange”), under the proposed symbol “[•],” to be effective at the consummation of the Business Combination. It is a condition of the consummation of the Business Combination that the CayCo Ordinary Shares are approved for listing on the Stock Exchange (subject only to official notice of issuance thereof). While trading on the Stock Exchange is expected to begin on the first Business Day following the date of completion of the Business Combination, there can be no assurance that CayCo’s securities will be listed on the Stock Exchange or that a viable and active trading market will develop. See “Risk Factors” beginning on page 52 for more information.

In connection with the Business Combination, Chenghe and FST agreed on a fixed pre-money equity value of U.S.\$400 million for the Post-Closing Company. At the consummation of the FST Restructuring, CayCo will issue and allot to each FST Shareholder who agrees to participate in the FST Restructuring in respective of each Company Share owned by such person, a number of CayCo Ordinary Shares that is no more than the Subscription Factor, which is the number resulting from dividing (x) the result of the quantity of U.S.\$400 million divided by U.S.\$10.00, by (y) the Aggregate Fully Diluted Company Shares as at the time of calculation. Any increase in the number of FST Shareholders who participate in the FST Restructuring will increase in the number of CayCo Ordinary Shares issued in connection with the FST Restructuring and at the consummation of the Business Combination.

In addition, FST shall, as soon as practicable and to the extent legally feasible under the applicable

laws after the Closing, use reasonable best efforts to enter into and consummate (a) a transaction with CayCo for CayCo to acquire the Company Shares owned by the Remaining Company Shareholders or (b) other alternative transactions to be agreed by the New SPAC Sponsor and FST. For the illustrative purpose only, we assume that at the consummation of the FST Restructuring, all FST Shareholders agree to participate in the FST Restructuring.

Assuming none of the Public Shareholders demand redemption pursuant to the Chenghe Articles, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 64.94% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.10% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 6.40% of the Post-Closing Company's total issued and outstanding share capital; (iv) the holders of SPAC Public Warrant will hold 10.55% of the Post-Closing Company's total issued and outstanding share capital.

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Assuming intermediate redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 67.09% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.70% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 3.31% of the Post-Closing Company's total issued and outstanding share capital; (iv) the holders of SPAC Public Warrant will hold 10.90% of the Post-Closing Company's total issued and outstanding share capital.

Assuming maximum redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 68.34% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 19.05% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 1.51% of the Post-Closing Company's total issued and outstanding share capital; (iv) the holders of SPAC Public Warrant will hold 11.10% of the Post-Closing Company's total issued and outstanding share capital.

The following table illustrates the ownership levels in the Post-Closing Company, assuming consummation of the Business Combination, the Company Acquisition Percentage reaching 100% at the consummation of the FST Restructuring and the exercise of all issued and outstanding SPAC Warrants, under several redemption scenarios:

	Assuming No Redemptions		Assuming Intermediate (50%) Redemptions ⁽¹⁾		Assuming Maximum (77.5%) Redemptions ⁽²⁾	
	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %
FST Shareholders	40,000,000	64.94%	40,000,000	67.09%	40,000,000	68.34%
Public Shareholders	3,941,873	6.40%	1,970,936	3.31%	885,843	1.51%
Converted SPAC Public Shares held by New SPAC Sponsor ⁽³⁾	1,058,127	1.72%	1,058,127	1.77%	1,058,127	1.81%
Holders of Founder Shares ⁽⁴⁾	2,191,873	3.56%	2,191,873	3.68%	2,191,873	3.74%
Holders of SPAC Public Warrants ⁽⁵⁾	6,500,000	10.55%	6,500,000	10.90%	6,500,000	11.10%
Holders of SPAC Private Warrants ⁽⁴⁾⁽⁶⁾	7,900,000	12.83%	7,900,000	13.25%	7,900,000	13.50%
Pro forma ordinary shares of the Post-Closing Company	61,591,873	100.0 %	59,620,936	100.0 %	58,535,843	100.0 %

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- (1) Assumes that 1,970,937 Public Shares are redeemed for aggregate redemption payments of approximately \$21.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023.
 - (2) Assumes that 3,056,030 Public Shares are redeemed for aggregate redemption payments of approximately \$33.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes. Assuming a \$11.06 per share redemption price, the number of Public Shares remaining outstanding following the redemption must be at least 885,843 shares for SPAC to fulfill all of the abovementioned assumptions.
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- (3) On November 8, 2023, the New SPAC Sponsor notified Chenghe that it had elected to convert 1,058,127 Founder Shares to the same number of SPAC Public Shares. On November 16, 2023, 1,058,127 Founder Shares were converted into the same number of SPAC Public Shares (the “**Converted SPAC Public Shares**”). The Converted SPAC Public Shares are identical to the SPAC Public Shares, except that (i) they are entitled to registration rights, (ii) they are subject to the transfer restrictions as set forth in the SPAC IPO Letter Agreement, (iii) pursuant to the SPAC IPO Letter Agreement, the Sponsors agreed to waive their redemption rights with respect to the Converted SPAC Public Shares in connection with (A) the SPAC’s initial business combination, (B) a shareholder vote to approve an amendment to the SPAC’s constitutional documents to (x) modify the substance or timing of the SPAC’s obligation to allow redemption in connection with the SPAC’s initial business combination, or to redeem 100% of SPAC Public Shares if SPAC has not completed an initial business combination by the Extended Deadline or (y) with respect to any other material provisions relating to shareholders’ rights or pre-initial business combination activity.
- (4) The Sponsors and their affiliates’ total potential ownership interest in the post-Closing Company, assuming the exercise and conversion of all securities following the Closing, including the SPAC Private Placement Warrants, the Converted SPAC Public Shares as described above, and Founder Shares, is estimated to comprise approximately 18.10% of outstanding CayCo Ordinary Shares in a no redemption scenario, 18.70% of outstanding CayCo Ordinary Shares in an intermediate redemption scenario and 19.05% of outstanding CayCo Ordinary Shares in a maximum redemption scenario.
- (5) Assumes the exercise of all issued and outstanding SPAC Public Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination.
- (6) Assumes the exercise of all issued and outstanding SPAC Private Placement Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination. As of the date of this Registration Statement/Proxy Statement, the Sponsors have not extended any working capital loan to Chenghe, which may be convertible into warrants at the option of the Sponsors. None of Chenghe, its directors and officers is aware of any intention to obtain any working capital loan which may be convertible into warrants from the Sponsors.

As of the date of this Registration Statement/Proxy Statement, none of CayCo, FST and SPAC has entered into any agreement with any investor in relation to any PIPE Investment (as defined below).

CayCo is an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”), and is therefore eligible to take advantage of certain reduced reporting requirements otherwise applicable to other public companies.

CayCo is also a “foreign private issuer” as defined in the Exchange Act, and will be exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, CayCo’s officers, directors and principal shareholders will be exempt from the reporting and “short-swing” profit recovery provisions under Section 16 of the Exchange Act. Moreover, CayCo will not be required to file periodic reports and financial statements with the Securities and Exchange Commission as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

CayCo is a Cayman Islands holding company and does not conduct operations directly. After the Closing of the Business Combination, CayCo will conduct its operations primarily through FST, its subsidiary. To the extent CayCo’s cash in the business is in Taiwan, the funds may not be available to distribute dividends to CayCo’s investors, or for other use outside of Taiwan, due to interventions in or the imposition of restrictions and limitations on the ability of CayCo or CayCo’s subsidiaries by the Taiwan government to transfer cash. The Taiwan government imposes controls on the convertibility of New Taiwan Dollar into foreign currencies and, in certain cases, the remittance of currency out of Taiwan. FST receives substantially all of its revenue in U.S. Dollars. Under current Taiwan laws and regulations, FST may pay

dividends only out of their accumulated after-tax profits each year upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Taiwanese accounting standards and regulations. In addition, FST is required to maintain certain statutory reserves and shall also allocate a portion of its after-tax profits to staff welfare and bonus funds, which in each case are not distributable as cash dividends except in the event of liquidation. In accordance with the Company Act of Taiwan, 10% of the net profit shall be allocated as legal reserve until the accumulated legal reserve equals the paid-in capital. Further, the reservation for staff welfare and bonus funds shall comply with the regulations of the articles of incorporations. Furthermore, FST is required to complete certain procedural requirements related to foreign exchange control in order to make dividend payments in foreign currencies. The conversion of New Taiwan Dollar into any foreign currency and remittance of foreign currencies into and out of Taiwan are subject to Taiwan foreign exchange regulations. Under the current Taiwan foreign exchange

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control regulations, foreign exchange including payment of dividends to shareholders, do not require prior approval from the Central Bank of the Republic of China (Taiwan), if the amount does not exceed the annual foreign exchange quota promulgated by the Central Bank of the Republic of China (Taiwan) (“Taiwan CBC”). Under certain circumstances as prescribed by the relevant Taiwan regulations, documentary evidence of such foreign exchange transactions shall be presented and such transactions shall be conducted at designated foreign exchange banks in Taiwan which have the licenses to carry out foreign exchange business. However, there is no assurance that these foreign exchange regulations will remain unchanged in the future. If the relevant Taiwan regulations change in the future and any required approval is not obtained, FST’s ability to make payments to CayCo in foreign currency may be restricted, and CayCo’s capital expenditure plans, business, operating results and financial condition may be materially and adversely affected. Under the current Taiwan regulations, Taiwan CBC regulates the declaration of foreign exchange receipts, disbursements and transactions involving at least NT\$500,000 (U.S.\$16,329) or the equivalent in foreign currency. A Taiwanese company, may, upon filing a duly completed and executed declaration form via the banks registered with Taiwan CBC, conduct foreign exchange transactions involving New Taiwan Dollars for trade-related purposes of up to U.S.\$50 million in aggregate per calendar year without special approval from Taiwan CBC. Foreign exchange transactions for non-trade-related purposes or exceeding the applicable annual quota threshold would require special approval from Taiwan CBC, which will be at the discretion of and considered by Taiwan CBC on a case-by-case basis. Additionally, CayCo may provide loans to FST. If the term of the loan is longer than one year, the FST shall file a declaration of foreign debt to the competent authority when the parties sign a loan agreement or when the loan is remitted into Taiwan. CayCo cannot assure you that the Taiwan government will not intervene in such transactions or impose restrictions on the ability of CayCo and its subsidiaries to transfer cash. See *“Risk Factors — FST is subject to foreign exchange control imposed by Taiwan authorities, which may affect the paying dividends, repatriating the interest or making other payments to CayCo.”* and *“Risk Factors — FST is subject to restrictions on paying dividend or making other payments to CayCo, which may restrict CayCo’s ability to satisfy its liquidity requirements.”*

The accompanying Registration Statement/Proxy Statement provides Chenghe Shareholders with detailed information about the Business Combination and other matters to be considered at the Extraordinary General Meeting. We encourage you to read the entire accompanying Registration Statement/Proxy Statement, including the Annexes and other documents referred to therein, carefully and in their entirety. You should also carefully consider the risk factors described in *“Risk Factors”* beginning on page 52 of the accompanying Registration Statement/Proxy Statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the Business Combination, or determined if this Registration Statement/Proxy Statement is accurate or adequate. Any representation to the contrary is a criminal offense.

Investing in Chenghe and CayCo securities involves a high degree of risk. Before making an investment decision, please read the information under the section entitled *“Risk Factors”* elsewhere in the accompanying Registration Statement/Proxy Statement and under similar headings or in any amendment or supplement to the accompanying Registration Statement/Proxy Statement.

CayCo is a “foreign private issuer” under the Exchange Act and therefore is exempt from certain rules under the Exchange Act, including the proxy rules, which impose certain disclosure and procedural requirements for proxy solicitations for U.S. and other issuers. Accordingly, after the Business Combination, CayCo Shareholders (as defined in the accompanying Registration Statement/Proxy Statement) may receive less or different information about CayCo than they would receive about a U.S. domestic public company. See *“Risk Factors — CayCo will be a foreign private issuer, and as a result, CayCo will not be subject to U.S. proxy rules*

and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.”

The accompanying Registration Statement/Proxy Statement is dated [•], 2024, and is expected to be first mailed or otherwise delivered to SPAC Shareholders on or about [•], 2024.

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ADDITIONAL INFORMATION

No person is authorized to give any information or to make any representation with respect to the matters that this Registration Statement/Proxy Statement describes other than those contained in this Registration Statement/Proxy Statement, and, if given or made, the information or representation must not be relied upon as having been authorized by CayCo or Chenghe. This Registration Statement/Proxy Statement does not constitute an offer to sell or a solicitation of an offer to buy securities or a solicitation of a proxy in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or a solicitation. Neither the delivery of this Registration Statement/Proxy Statement nor any distribution of securities made under this Registration Statement/Proxy Statement will, under any circumstances, create an implication that there has been no change in the affairs of CayCo or Chenghe since the date of this Registration Statement/Proxy Statement or that any information contained herein is correct as of any time subsequent to such date.

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NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF CHENGHE ACQUISITION I CO. TO THE SHAREHOLDERS OF CHENGHE ACQUISITION I CO.:

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Extraordinary General Meeting**”) of shareholders of Chenghe Acquisition I Co. (“**Chenghe**” or “**SPAC**”), an exempted company incorporated with limited liability under the laws of the Cayman Islands, will be held at [•] a.m. Eastern Time, on [•], 2024 at [•], or at such other time, on such other date and at such other place to which the meeting may be adjourned. You may also attend the Extraordinary General Meeting webcast by accessing the web portal located at [•]. The Extraordinary General Meeting will be held for the following purposes:

- **Proposal No. 1 — The Business Combination Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to approve and adopt the business combination agreement dated as of December 22, 2023 (as it may be amended, supplemented or otherwise modified from time to time, the “**Business Combination Agreement**”), by and among Chenghe, FST Corp., a Cayman Islands exempted company with limited liability (“**CayCo**”), FST Merger Ltd., a Cayman Islands exempted company with limited liability and a direct wholly owned subsidiary of CayCo (“**Merger Sub**”), and Femco Steel Technology Co., Ltd., a company limited by shares incorporated and in existence under the laws of Taiwan with uniform commercial number of 04465819 (“**FST**” and together with CayCo and Merger Sub, the “**FST Parties**”), and approve the transactions contemplated thereby, pursuant to which, among other things, Merger Sub shall be merged with and into Chenghe with Chenghe being the surviving company and as a direct, wholly owned subsidiary of CayCo (the “**Merger**”), and Chenghe will change its name to “FST Ltd.” (the “**Business Combination**”). The Business Combination and other transactions contemplated by the Business Combination Agreement are referred to as the “**Transactions**.” A copy of the Business Combination Agreement is attached as Annex A to the accompanying Registration Statement/Proxy Statement and a copy of the Plan of Merger is attached as Annex A-1 to the accompanying Registration Statement/Proxy Statement;
- **Proposal No. 2 — The Merger Proposal** — to consider and vote upon, as a special resolution, a proposal to approve and adopt the plan of merger to be filed with the Registrar of Companies of the Cayman Islands (the “**Plan of Merger**”) and approve the transactions contemplated thereby, including, without limitation the Merger. A copy of the Plan of Merger is attached as Annex A-1 to the accompanying Registration Statement/Proxy Statement;
- **Proposal No. 3 — The Authorized Share Capital Amendment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to approve, with effect from the effective time of the Merger, the reclassification and re-designation of (a) 200,000,000 issued and unissued Class A ordinary shares of a par value of \$0.0001 each to 200,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; (b) 20,000,000 issued and unissued Class B ordinary shares of a par

value of \$0.0001 each to 20,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; and (c) 1,000,000 authorized but unissued preference shares of a par value of \$0.0001 each to 1,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each (the “**Re-designation**”) so that following such Re-designation, the authorized share capital of Chenghe shall be \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each, and immediately after the Re-designation, the authorized share capital of Chenghe be increased from \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each to \$50,000 divided into 500,000,000 ordinary shares of a par value of \$0.0001 each by the creation of an additional 279,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each to rank pari passu in all respects with the existing ordinary shares;

- **Proposal No. 4 — The Articles Amendment Proposals** — to consider and vote upon, as separate special resolutions, two separate special resolutions to approve, with effect from the effective time of the Merger:
 - (a) the change of name of Chenghe from “Chenghe Acquisition I Co.” to “FST Ltd.”; and
 - (b) the amended and restated memorandum and articles of association of SPAC currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the proposed second amended and restated memorandum and articles of association (the “**Restated M&A**”). A copy of the Restated M&A is attached as Annex H to the accompanying Registration Statement/Proxy Statement; and

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- **Proposal No. 5 — The Adjournment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to adjourn the Extraordinary General Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the Extraordinary General Meeting, there are not sufficient votes to approve one or more proposals presented to the shareholders for vote.

The items of business listed above are more fully described elsewhere in the proxy statement. Whether or not you intend to attend the Extraordinary General Meeting, we urge you to read the attached proxy statement in its entirety, including the annexes and accompanying financial statements, before voting. IN PARTICULAR, WE URGE YOU TO CAREFULLY READ THE SECTION IN THE PROXY STATEMENT TITLED “RISK FACTORS.”

Only holders of record of ordinary shares of Chenghe at the close of business on [•], 2024 (the “record date”) are entitled to notice of the Extraordinary General Meeting and to vote and have their votes counted at the Extraordinary General Meeting and any adjournments or postponements of the Extraordinary General Meeting.

After careful consideration, our board of directors has determined that each of the proposals listed is fair to and in the best interests of Chenghe and its shareholders and recommends that you vote or give instruction to vote “**FOR**” each of the proposals set forth above. When you consider the recommendations of our board of directors, you should keep in mind that our directors and officers may have interests in the Business Combination that conflict with, or are different from, your interests as a shareholder. See the section titled “*SPAC Shareholders Proposal No. 1 — The Business Combination Proposal — Interests of Certain Persons in the Business Combination.*”

The Closing is conditioned on approval of the Business Combination Proposal, the Merger Proposal, the Authorized Share Capital Amendment Proposal and the Articles Amendment Proposals at the Extraordinary General Meeting. If any of these proposals is not approved and the applicable closing condition in the Business Combination Agreement is not waived, then we will not consummate the Business Combination.

All shareholders at the close of business on the record date are cordially invited to attend the Extraordinary General Meeting, which will also be held over the Internet by means of a live webcast at [•]. To ensure your representation at the Extraordinary General Meeting, however, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible in the postage-paid return envelope provided and, in any event so as to be received by Chenghe no later than [•] a.m. Eastern Time, on [•], 2024, being 48 hours before the time appointed for the holding of the Extraordinary General Meeting (or, in the case of an adjournment, no later than 48 hours before the time appointed for the holding of the adjourned meeting). In the case of joint shareholders, where more than one of the joint shareholder purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in our register of members) will be accepted. If you are a holder of record of ordinary shares of ours at the close of business on the record date, you may also cast your vote at the Extraordinary General Meeting. If you hold your ordinary shares in “street” name, which means your shares are held of record by a broker, bank or nominee, you must instruct your broker or bank

on how to vote the shares you beneficially own or, if you wish to attend the Extraordinary General Meeting, you must obtain a legal proxy from the shareholder of record and email a copy (a legible photograph is sufficient) of your proxy to proxy@continentalstock.com no later than 72 hours prior to the Extraordinary General Meeting. Holders should contact their bank, broker or other nominee for instructions regarding obtaining a legal proxy. Holders who email a valid legal proxy will be issued a meeting control number that will allow them to register to attend and participate in the Extraordinary General Meeting virtually. You will receive an email prior to the meeting with a link and instructions for entering the Extraordinary General Meeting.

Voting on all resolutions at the Extraordinary General Meeting will be conducted by way of a poll rather than on a show of hands. On a poll, votes are counted according to the number of ordinary shares registered in each shareholder's name, with each ordinary share carrying one vote.

Your vote is important regardless of the number of shares you own. **Whether you plan to attend the Extraordinary General Meeting or not, please complete, sign, date and return the enclosed proxy card as soon as possible in the envelope provided. If you hold your shares in "street name" through a bank, broker or other nominee, you will need to follow the instructions provided to you by your bank, broker or other nominee to ensure that your shares are represented and voted at the Extraordinary General Meeting.**

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If you have any questions or need assistance voting your ordinary shares, please contact [•] ("[•]"), our proxy solicitor, at +1 [•] (for individuals), and +1 [•] (for banks and brokers). Questions can also be sent by email to [•].

Thank you for your participation. We look forward to your continued support.

By Order of the Board of Directors,

Zhiyang Zhou

Chief Executive Officer
(Principal Executive Officer)

IF YOU RETURN YOUR SIGNED PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, YOUR SHARES WILL BE VOTED IN FAVOR OF EACH OF THE PROPOSALS.

ALL HOLDERS (THE "PUBLIC SHAREHOLDERS") OF SPAC CLASS A ORDINARY SHARES ISSUED IN CHENGHE'S INITIAL PUBLIC OFFERING (THE "PUBLIC SHARES") HAVE THE RIGHT TO HAVE THEIR PUBLIC SHARES REDEEMED FOR CASH IN CONNECTION WITH THE PROPOSED BUSINESS COMBINATION. PUBLIC SHAREHOLDERS ARE NOT REQUIRED TO AFFIRMATIVELY VOTE FOR OR AGAINST THE BUSINESS COMBINATION PROPOSAL, TO VOTE ON THE BUSINESS COMBINATION PROPOSAL AT ALL, OR TO BE HOLDERS OF RECORD ON THE RECORD DATE IN ORDER TO HAVE THEIR PUBLIC SHARES REDEEMED FOR CASH.

THIS MEANS THAT ANY PUBLIC SHAREHOLDER HOLDING PUBLIC SHARES MAY EXERCISE REDEMPTION RIGHTS REGARDLESS OF WHETHER THEY ARE ENTITLED TO VOTE ON THE BUSINESS COMBINATION PROPOSAL AND REGARDLESS OF WHETHER THEY VOTE AT ALL.

TO EXERCISE REDEMPTION RIGHTS, PUBLIC SHAREHOLDERS MUST TENDER THEIR SHARES TO CONTINENTAL STOCK TRANSFER & TRUST COMPANY, CHENGHE'S TRANSFER AGENT, NO LATER THAN TWO (2) BUSINESS DAYS PRIOR TO THE EXTRAORDINARY GENERAL MEETING. YOU MAY TENDER YOUR SHARES BY EITHER DELIVERING YOUR SHARE CERTIFICATES (IF ANY) AND OTHER REDEMPTION FORMS TO THE TRANSFER AGENT OR BY DELIVERING YOUR SHARES ELECTRONICALLY USING THE DEPOSITORY TRUST COMPANY'S DEPOSIT WITHDRAWAL AT CUSTODIAN (DWAC) SYSTEM. IF THE BUSINESS COMBINATION IS NOT COMPLETED, THEN THESE SHARES WILL NOT BE REDEEMED FOR CASH AND WILL BE RETURNED TO YOU. IF YOU HOLD THE SHARES IN STREET NAME, YOU WILL NEED TO INSTRUCT THE ACCOUNT EXECUTIVE AT YOUR BANK OR BROKER TO WITHDRAW THE SHARES FROM YOUR ACCOUNT IN ORDER TO EXERCISE YOUR REDEMPTION RIGHTS. SEE "EXTRAORDINARY GENERAL MEETING — REDEMPTION RIGHTS" FOR MORE SPECIFIC INSTRUCTIONS.

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[Table of Contents](#)**ABOUT THIS REGISTRATION STATEMENT/PROXY STATEMENT**

This Registration Statement/Proxy Statement, which forms part of a registration statement on Form F-4 filed with the SEC by CayCo, as it may be amended or supplemented from time to time (File No. [•]) (the “**Registration Statement/Proxy Statement**”), serves as:

- A notice of meeting and proxy statement of SPAC under Section 14(a) of the Exchange Act, for the Extraordinary General Meeting being held on [], 2024, where SPAC Shareholders will vote on, among other things, the proposed Business Combination and related transactions and each of the SPAC Shareholder Proposals described herein; and
- A prospectus of CayCo under Section 5 of the Securities Act with respect to the CayCo Ordinary Shares that SPAC Shareholders and Company Shareholders will receive in the Business Combination.

This Registration Statement/Proxy Statement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is not lawful to make any such offer or solicitation in such jurisdiction.

This information is available without charge to you upon written or oral request. To make this request, you should contact SPAC’s proxy solicitor at:

[•]

To obtain timely delivery of requested materials, you must request the information no later than five (5) Business Days prior to the date of the SPAC Shareholders’ Meeting. Please be sure to include your complete name and address in your request.

You may also obtain additional information about SPAC from documents filed with the SEC by following the instruction in the section entitled “*Where You Can Find More Information.*”

[Table of Contents](#)**MARKET AND INDUSTRY DATA**

This Registration Statement/Proxy Statement contains estimates, projections, and other information concerning CayCo’s and FST’s industry and business, as well as data regarding market research, estimates, forecasts and projections prepared by CayCo’s and FST’s management. Information that is based on market research, estimates, forecasts, projections, or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. The industry in which FST operates, and CayCo will operate, is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled “*Risk Factors.*”

Unless otherwise expressly stated, CayCo and FST obtained industry, business, market, and other data from reports, research surveys, studies, and similar data prepared by market research firms and other third parties, industry and general publications, government data, and similar sources. In some cases, CayCo and FST do not expressly refer to the sources from which this data is derived. In that regard, when CayCo and FST refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from sources that CayCo and FST paid for, sponsored, or conducted, unless otherwise expressly stated or the context otherwise requires. While CayCo and FST have compiled, extracted, and reproduced industry data from these sources with such care as they consider reasonable, CayCo and FST have not independently verified the accuracy or completeness of the data, information and statistics.

Industry publications, research, studies and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Forecasts and other forward-looking information with respect to industry, business, market, and other data are subject to the same qualifications and additional uncertainties regarding the other forward-looking statements in this Registration Statement/Proxy Statement. See “*Cautionary Note Regarding Forward-Looking Statements.*” These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described under “*Risk Factors.*” These and other factors could cause results to differ materially from those expressed in the forecasts or estimates from independent third parties, CayCo and FST.

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TRADEMARKS AND TRADE NAMES

FST owns or has rights to various trademarks, service marks and trade names that they use in connection with the operation of its businesses. This Registration Statement/Proxy Statement also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties’ trademarks, service marks, trade names or products in this Registration Statement/Proxy Statement is not intended to create, and does not imply, a relationship with FST, CayCo or SPAC, or an endorsement or sponsorship by or of FST, CayCo or SPAC. Solely for convenience, the trademarks, service marks and trade names referred to in this Registration Statement/Proxy Statement may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that FST, CayCo or SPAC will not assert, to the fullest extent under applicable law, their rights or the right of the applicable licensor to these trademarks, service marks and trade names.

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PRESENTATION OF FINANCIAL INFORMATION

CayCo was incorporated on November 24, 2023 for the purpose of effectuating the Business Combination described herein. CayCo has no material assets or liabilities and does not operate any businesses. This Registration Statement/Proxy Statement contains:

- the audited financial statements of SPAC for the year ended December 31, 2023, and December 31, 2022; and
- the audited consolidated financial statements of FST for the years ended December 31, 2023, and December 31, 2022.

Unless indicated otherwise, financial data presented in this Registration Statement/Proxy Statement has been taken from the audited financial statements of SPAC, CayCo and FST included in this Registration Statement/Proxy Statement. Unless otherwise indicated, financial information of SPAC has been prepared in accordance with accounting principles generally accepted in the United States and the financial information in respect of CayCo and FST has been prepared in accordance with Generally Accepted Accounting Principles.

CayCo and FST present their consolidated financial statements in the New Taiwan dollar. SPAC publishes its financial statements in U.S. dollars. In this Registration Statement/Proxy Statement, unless otherwise specified, all monetary amounts are in U.S. dollars, all references to “\$,” “US\$,” “U.S.,” “USD,” “U.S. Dollars” and “dollars” mean U.S. dollars and all references to “NTD\$,” “NT\$” and “NTD” mean New Taiwan dollars.

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EXCHANGE RATES

CayCo's reporting currency will be the U.S. Dollar. The determination of the functional and reporting currency of each group company is based on the primary currency in which the group company operates. For CayCo, the U.S. Dollar is the functional currency. The functional currency of CayCo's subsidiaries will generally be the local currency.

Certain information presented in this Registration Statement/Proxy Statement has been converted from NTD to USD at a rate of NTD30.62 to U.S.\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 29, 2023. Exchange rates fluctuate, and such fluctuation can be significant.

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CERTAIN DEFINED TERMS

Unless the context otherwise requires, references in this Registration Statement/Proxy Statement to:

"2023 Name Change Proposal" means special resolution dated 25 October 2023 that effected the change of name of the SPAC from "LatAmGrowth SPAC" to "Chenghe Acquisition I Co."

"Adjournment Proposal" means an ordinary resolution to adjourn the Extraordinary General Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the Extraordinary General Meeting, there are not sufficient votes to approve one or more proposals presented to the shareholders for vote.

"Aggregate Fully Diluted Company Shares" means, without duplication, the aggregate number of Company Shares that are (i) issued and outstanding or (ii) issuable upon, or subject to, (x) the exercise or settlement of any Option or (y) the consummation of any PIPE Investment, if any.

"Agreement End Date" means 5:00 p.m. (Hong Kong time) on October 26, 2024.

"Ancillary Documents" means collectively, the Investor Rights Agreement, the Subscription Agreement, the Lock-Up Agreement, the Sponsor Support Agreement and the Company Holders Support Agreement.

"Articles Amendment Proposals" means two separate special resolutions to respectively approve (a) the change of name of Chenghe from "Chenghe Acquisition I Co." to "FST Ltd."; and (b) the amended and restated memorandum and articles of association of SPAC currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the proposed second amended and restated memorandum and articles of association of Chenghe.

"Authorized Share Capital Amendment Proposal" means an ordinary resolution to approve the reclassification and re-designation of (a) 200,000,000 issued and unissued Class A ordinary shares of a par value of \$0.0001 each to 200,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; (b) 20,000,000 issued and unissued Class B ordinary shares of a par value of \$0.0001 each to 20,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; and (c) 1,000,000 authorized but unissued preference shares of a par value of \$0.0001 each to 1,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each (the **"Re-designation"**) so that following such Re-designation, the authorized share capital of Chenghe shall be \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each, and immediately after the Re-designation, the authorized share capital of Chenghe be increased from \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each to \$50,000 divided into 500,000,000 ordinary shares of a par value of \$0.0001 each by the creation of an additional 279,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each to rank pari passu in all respects with the existing ordinary shares.

"Base Equity Value" means U.S.\$400,000,000.

"Business Combination" means the Merger and the change of SPAC's name to "FST Ltd."

"Business Combination Agreement" means the business combination agreement entered into by and among CayCo, Merger Sub, SPAC and FST dated as of December 22, 2023 (as it may be amended, supplemented or otherwise modified from time to time).

"Business Combination Proposal" means the ordinary resolution to approve and adopt the Business Combination Agreement and the transactions contemplated thereby.

"Business Day" means a day on which commercial banks are open for business in New York, U.S., the Cayman Islands, Taiwan and Hong Kong, except a Saturday, Sunday or public holiday (gazetted or ungazetted and whether scheduled or unscheduled).

"CayCo" means FST Corp., a Cayman Islands exempted company with limited liability.

"CayCo Board" means the board of directors of CayCo.

“**CayCo Listing Articles**” means the amended and restated memorandum and articles of association of CayCo, substantially in the form set forth in Annex B to this Registration Statement/Proxy Statement.

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“**CayCo Ordinary Shares**” means the ordinary shares, with par value of U.S.\$0.0001 per share, of CayCo.

“**CayCo Shareholders**” means the holders of CayCo Ordinary Shares.

“**CayCo Warrants**” means the warrants of CayCo into which the SPAC Warrants convert at the Merger Effective Time, each entitling the holder to purchase one CayCo Ordinary Share at a price of \$11.50 per share, subject to adjustment, terms and limitations.

“**Cayman Companies Act**” means the Companies Act (As Revised) of the Cayman Islands.

“**Chenghe**” or “**SPAC**” means Chenghe Acquisition I Co., an exempted company incorporated with limited liability under the laws of the Cayman Islands.

“**Chenghe Preference Share**” means a preference share of SPAC, par value of \$0.0001 each.

“**Chenghe Shareholders**” or “**SPAC Shareholders**” means the shareholders of Chenghe.

“**Closing**” means the consummation of the Business Combination.

“**Closing Conditions**” means the conditions to Closing set forth in the Business Combination Agreement.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Company Acquisition**” means the purchase and acquisition of the Company Shares by CayCo in accordance with the Company Restructuring Documents at the FST Restructuring Closing.

“**Company Acquisition Percentage**” means a number, expressed as a percentage, calculated by *dividing* (x) the number of Aggregate Fully Diluted Company Shares owned by CayCo immediately after the FST Restructuring Closing by (y) the Aggregate Fully Diluted Company Shares at such time.

“**Company Common Shares**” means 100,000,000 common shares, each with a par value of NT\$10 per share of FST.

“**Company Material Adverse Effect**” means any event, state of facts, development, circumstance, occurrence or effect (collectively, “Events”) that (i) has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, assets, results of operations or condition of the Group or (ii) does or would reasonably be expected to, individually or in the aggregate, prevent or materially delay the ability of the Company Parties to consummate the Merger by the Agreement End Date.

“**Company Parties**” or “**FST Parties**” means collectively, CayCo, FST and Merger Sub.

“**Company Restructuring Documents**” means, collectively (i) the FST Equity Reorganization Agreement, (ii) the Deed of Share Sale and Purchase, and (iii) the CayCo Subscription Agreement.

“**Company Shareholder Approval**” means the vote of holders of Company Shares required to approve the Company Transaction Proposals, as determined in accordance with applicable law and FST’s Governing Documents.

“**Company Shareholder Support Agreement**” means the company shareholder support agreement entered into concurrently with the execution of the Business Combination Agreement between and among, SPAC, FST, CayCo, certain Company Shareholders and certain CayCo Shareholders, as amended or modified from time to time.

“**Company Shareholders**” or “**FST Shareholders**” means the direct holders of the Company Shares issued and outstanding immediately prior to the FST Restructuring Closing.

“**Company Shareholders Subscription**” means the subscription by the Company Shareholders (other than the Remaining Company Shareholders) of certain number of CayCo Ordinary Shares no more than the Subscription Factor.

“**Company Shares**” means the shares in the capital of FST, including the Company Common Shares.

“**Company Transaction Proposals**” means the withdrawal of the public reporting status as a Taiwan Public Company.

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“Contribution” means each payment deposit into the Trust Account for each monthly extension of the SPAC Termination Date beyond October 27, 2023 pursuant to SPAC MAA.

“DIR” means the Department of Investment Review under the Ministry of Economic Affairs of Taiwan.

“Extended Deadline” means the deadline by which SPAC is required to consummate a business combination transaction.

“First Extension” means the extension of the SPAC Termination Date from April 27, 2023 to November 27, 2023 for a deposit of \$150,000 for each monthly period extended beyond April 27, 2023.

“First Extension Amendment Proposal” means the proposal approved by special resolution on 13 April 2023 that amended the SPAC MAA to facilitate the First Extension.

“First Extension Meeting” means the extraordinary general meeting of SPAC held on April 13, 2023, at which the shareholders of SPAC approved the First Extension Amendment Proposal, the First Trust Amendment Proposal, the SPAC Class B Ordinary Share Amendment Proposal and the Redemption Limitation Amendment Proposal.

“First Trust Amendment Proposal” means the proposal to amend the Trust Agreement to facilitate the First Extension.

“Founder Shares” means the SPAC Class B ordinary shares purchased by the Old SPAC Sponsor in a private placement prior to SPAC’s initial public offering, a portion of which was sold to the New SPAC Sponsor in the Sponsor Sale.

“FST” means Femco Steel Technology Co., Ltd., a company limited by shares incorporated and in existence under the laws of Taiwan with uniform commercial number of 04465819.

“FST Restructuring” means, collectively, the Company Acquisition, the Company Shareholders Subscription and each of the other transactions contemplated under the Company Restructuring Documents.

“FST Restructuring Closing” means the closing of FST Restructuring.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time, consistently applied.

“Governing Documents” means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the “Governing Documents” of an exempted company incorporated in the Cayman Islands are its certificate of incorporation, memorandum and articles of association, shareholders agreement or similar constitutional or organizational documents, in each case, as amended or restated; the “Governing Documents” of a Taiwan company are its company registration card, articles of incorporation and bylaws.

“Governmental Authority” means any federal, state, provincial, municipal, local, foreign, multinational, supra-national, government or governmental authority or regulatory body thereof, or political subdivision thereof, or any commission, department, board, bureau, agency, instrumentality or authority thereof, any court, tribunal, arbitrator, arbitration panel or similar judicial body or any self-regulatory organization.

“Group” means FST and all of its Subsidiaries from time to time.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“Investor Rights Agreement” means the investor rights agreement that CayCo, FST, SPAC and other parties listed thereto will enter into at the Closing, as amended or modified from time to time.

“IRS” means the Internal Revenue Service of the United States of America.

“JOBS Act” means the Jumpstart Our Business Startups Act of 2012.

“Lock-Up Agreement” means the lock-up agreement that the New SPAC Sponsor, CayCo, certain Company Shareholders and Sponsor Key Holders will enter into at the Closing, as amended or modified from time to time.

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“Merger” means the merger of Merger Sub with and into SPAC, in accordance with Part XVI of Cayman Companies Act, following which the separate corporate existence of Merger Sub shall cease and SPAC shall

continue as the surviving company and a direct wholly owned subsidiary of CayCo.

“Merger Effective Time” means the date on which the Plan of Merger is registered by the Registrar of Companies of the Cayman Islands or such later time or such later date as may be agreed by SPAC and FST in writing pursuant to the terms and conditions of the Plan of Merger but subject to the Cayman Companies Act.

“Merger Proposal” means a special resolution to approve the Plan of Merger and any and all transactions provided for in the Plan of Merger.

“Merger Sub” means FST Merger Ltd., a Cayman Islands exempted company with limited liability and directly wholly owned by CayCo.

“Nasdaq” means The Nasdaq Stock Market LLC.

“New SPAC Sponsor” means Chenghe Investment I Limited, a Cayman Island exempted company with limited liability.

“Old SPAC Sponsor” means LatAmGrowth Sponsor LLC, a Delaware limited liability company.

“Option” means an option to purchase Company Common Shares granted to an employee, director, independent contractor or other service provider of the Group.

“Person” means any individual, firm, corporation, partnership, limited liability company, incorporated or unincorporated association, joint venture, joint share company, Governmental Authority or instrumentality or other entity of any kind.

“Phase I DIR Approval” means Taiwan DIR Approval in connection with CayCo acquiring 55% of the Aggregate Fully Diluted Company Shares from the Company Shareholders listed in Section 1.1 of the Company Disclosure Letter (as defined in the Business Combination Agreement) in accordance with the Company Restructuring Documents.

“Phase I Restructuring Documents” means the Company Restructuring Documents signed and delivered in connection with CayCo acquiring 55% of the Aggregate Fully Diluted Company Shares from the Company Shareholders listed in Section 1.1 of the Company Disclosure Letter.

“Phase II DIR Approval” means the Taiwan DIR Approval in connection with CayCo acquiring the Aggregate Fully Diluted Company Shares (other than the Company Shares covered under the Phase I Restructuring Documents) from the Company Shareholders in accordance with the Company Restructuring Documents.

“Phase II Restructuring Documents” means the Company Restructuring Documents signed and delivered in connection with CayCo acquiring the Aggregate Fully Diluted Company Shares (other than the Company Shares covered under the Phase I Restructuring Documents) from the Company Shareholders listed in Section 1.1 of the Company Disclosure Letter.

“PIPE Investment” means the purchase of CayCo Ordinary Shares pursuant to the Subscription Agreements or any other purchase agreements as may be agreed by SPAC and FST from time to time.

“Plan of Merger” means a plan of merger between SPAC and Merger Sub, pursuant to which Merger Sub will merge with and into SPAC, that is substantially in the form of exhibit D to the Business Combination Agreement.

“Post-Closing Company” means CayCo after the consummation of the Business Combination.

“PRC” means the People’s Republic of China, and for the purpose of this Registration Statement/Proxy Statement, does not include Hong Kong, Macau Special Administrative Region and Taiwan.

“Public Shares” or **“SPAC Public Shares”** means the issued and outstanding SPAC Class A Ordinary Shares.

“Public Shareholders” or **“SPAC Public Shareholders”** means the holders of Public Shares, other than the New SPAC Sponsor with respect to its holding of Converted SPAC Public Shares.

“Record Date” means [•], 2024, the record date of SPAC Shareholders’ Meeting.

“Redemption Limitation Amendment Proposal” means the special resolution approved on 13 April 2023 that amended the SPAC MAA to remove the limitation that the SPAC shall not redeem Public Shares to the extent that such redemption would cause the SPAC’s net tangible assets to be less than \$5,000,001.

“Remaining Company Shareholders” means the FST Shareholders other than CayCo after consummation of the FST Restructuring.

“SEC” means the U.S. Securities and Exchange Commission.

“Second Extension” means the extension approved by special resolution on 25 October 2023 of the SPAC Termination Date from October 27, 2023 to January 27, 2024 for a deposit of the lesser of (a) \$240,000 and (b) \$0.06 for each Class A ordinary share not redeemed as of October 27, 2023, and the further extension by SPAC Board for up to nine times, each by one month, for an aggregate nine additional months, from January 27, 2024 up to October 27, 2024, for the deposit of the lesser of (a) \$80,000 and (b) \$0.02 for each Class A ordinary share not redeemed as of October 27, 2023.

“Second Extension Amendment Proposal” means the special resolution approved on 25 October 2023, to amend SPAC MAA to facilitate the Second Extension.

“Second Extension Meeting” means the extraordinary general meeting of SPAC held on October 25, 2023, at which the shareholders of SPAC approved the Second Extension Amendment Proposal, the Second Trust Amendment Proposal and the 2023 Name Change Proposal.

“Second Trust Amendment Proposal” means the proposal to amend the Trust Agreement to facilitate the Second Extension and to allow the SPAC to maintain any remaining amount in the Trust Account in an interest bearing demand deposit account at a bank.

“SPAC Board” or **“Chenghe Board”** means the board of directors of SPAC.

“SPAC Class A Ordinary Share” means a Class A ordinary share of SPAC, par value \$0.0001 per share.

“SPAC Class B Ordinary Share” means a Class B ordinary share of SPAC, par value \$0.0001 per share.

“SPAC Class B Ordinary Share Amendment Proposal” means the special resolution approved on 13 April 2023 that amended the SPAC MAA to provide the right of a holder of SPAC Class B Ordinary Shares to convert such shares into SPAC Class A Ordinary Shares before or concurrently with or immediately following the consummation of SPAC’s initial business combination at the election of such holder.

“SPAC IPO” means the initial public offering of SPAC securities consummated on January 27, 2022.

“SPAC IPO Letter Agreement” means the letter agreement, dated as of January 24, 2022, by and among the SPAC, the Old SPAC Sponsor and the insiders listed thereunder, as amended by a joinder to the letter agreement, dated as of October 6, 2023, pursuant to which the New SPAC Sponsor became a party thereunder.

“SPAC IPO Underwriting Agreement” means the underwriting agreement, dated as of January 24, 2022, by and among the SPAC, BofA Securities, Inc. and Banco BTG Pactual S.A.

“SPAC MAA” or **“Chenghe Articles”** means the amended and restated memorandum and articles of association of SPAC, adopted pursuant to a special resolution passed on January 24, 2022, amended pursuant to a special resolution passed on April 13, 2023 and as further amended pursuant to a special resolution passed on October 25, 2023, and as may be amended from time to time.

“SPAC Ordinary Shares” means SPAC Class A Ordinary Shares and SPAC Class B Ordinary Shares.

“SPAC Private Placement Warrants” means the warrants sold by SPAC to the Old SPAC Sponsor in a private placement consummated on the closing of the SPAC IPO (whether purchased in such private placement or thereafter pursuant to a transfer by the former holder thereof), a portion of which was sold by the Old SPAC Sponsor to the New SPAC Sponsor in the Sponsor Sale, that entitle the holder thereof to purchase SPAC Class A Ordinary Shares at an exercise price of \$11.50 per share.

“SPAC Public Warrants” means the warrants sold to the public by SPAC as part of the SPAC IPO (whether purchased in such offering or thereafter in the public market) that entitle the holder thereof to purchase SPAC Class A Ordinary Shares at an exercise price of \$11.50 per share.

“SPAC Shareholder Approval” means (i) the approval of (A) the change of SPAC’s name to “FST Ltd.”, (B) the amendment and restatement of the SPAC MAA, (C) the Merger and (D) the Plan of Merger, in each case, by a special resolution (as defined in the Cayman Companies Act, being a resolution approved by an affirmative vote of the holders of at least a two-thirds (2/3) majority of the issued and outstanding SPAC Ordinary Shares entitled to vote thereupon (as determined in accordance with the SPAC MAA)) at a SPAC Shareholders’ Meeting duly called by the SPAC Board and held for such purpose, and (ii) the approval of the other SPAC Shareholder Proposals not included in (i) above by an ordinary resolution (being a resolution passed by a simple majority of

the SPAC Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting) at a SPAC Shareholders' Meeting.

"SPAC Shareholder Proposals" means collectively, the Business Combination Proposal, the Merger Proposal, the Authorized Share Capital Amendment Proposal, the Articles Amendment Proposal, and if presented, the Adjournment Proposal.

"SPAC Shareholders' Meeting" or **"Extraordinary General Meeting"** means an extraordinary general meeting of SPAC Shareholders.

"SPAC Termination Date" means the date by which SPAC must (i) consummate a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination involving SPAC with one or more business or (ii) cease its operations except for the purpose of winding up if it fails to complete an initial business combination and redeem or repurchase 100% of the then issued and outstanding SPAC Class A Ordinary Shares.

"SPAC Transfer Agent" means the transfer agent of SPAC, Continental Stock Transfer & Trust Company.

"SPAC Units" means equity securities of SPAC consisting of one (1) SPAC Class A Ordinary Share and one-half of one (1/2) SPAC Public Warrant.

"SPAC Warrants" means the SPAC Public Warrants and the SPAC Private Placement Warrants.

"Sponsor Sale SPA" means the securities purchase agreement dated as of September 29, 2023, by and between the SPAC, the Old SPAC Sponsor and the New SPAC Sponsor.

"Sponsor Sale" means the transactions contemplated by the Sponsor Sale SPA, including, the acquisition by the New SPAC Sponsor of an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor, for an aggregate purchase price of \$1.00 plus the New SPAC Sponsor's agreement to deposit into the Trust Account, on the closing of the Sponsor Sale, \$450,000 for due and payable extension contribution payment incurred prior to the date of the Sponsor Sale SPA and on any other applicable due date, other extension payments that may become due after the Sponsor Sale, and in accordance with the terms of the Trust Agreement.

"Sponsor Key Holders" means certain SPAC Shareholders that will enter into the Lock-Up Agreement at Closing.

"Sponsor Support Agreement" means the sponsor support agreement entered into concurrently with the execution of the Business Combination Agreement between and among the Sponsors, SPAC, FST and certain other parties thereto, as amended or modified from time to time.

"Sponsors" means both of the Old SPAC Sponsor and the New SPAC Sponsor, and **"Sponsor"** means either of them, as the context may require.

"Squeeze Out" means the transaction with CayCo for CayCo to acquire the Company Shares owned by the Remaining Company Shareholders or other alternative transactions to be agreed by the New SPAC Sponsor and FST in accordance with the Governing Documents of FST and applicable law.

"Stock Exchange" means the New York Stock Exchange or Nasdaq.

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"Subscription Agreements" means the subscription agreements pursuant to which the PIPE Investment will be consummated.

"Subscription Factor" means a number resulting from dividing (x) the result of the quantity of the Base Equity Value divided by U.S.\$10.00, by (y) the Aggregate Fully Diluted Company Shares as at the time of calculation.

"Subsidiary" means, with respect to any Person (for purposes of this definition, the "Controlling Company"), any other Person (i) of which a majority of the outstanding voting securities or other voting equity interests, or a majority of any other interests having the power to direct or cause the direction of the management and policies of such other Person, are owned, directly or indirectly, by the Controlling Company and/or (ii) with respect to which the Controlling Company or its Subsidiaries is a general partner or managing member.

"Taiwan" means the Republic of China.

"Taiwan DIR Approval" means any and all authorizations, permits or clearances from the Department of Investment Review, the Ministry of Economic Affairs of Taiwan, under the Taiwan Statute For Investment By Foreign Nationals that are required in connection with the Business Combination Agreement, the Company

Restructuring Documents, the Merger, the FST Restructuring and the consummation of the Merger or the FST Restructuring, as applicable, and the other transactions contemplated hereunder and the issuance of CayCo Ordinary Shares, including the Phase I DIR Approval and the Phase II DIR Approval.

“Taiwan Public Company” means a Taiwan public reporting company that has issued its stock and/or shares in accordance with the Securities and Exchange Act of Taiwan.

“Taiwan Stock Market” means the Emerging Stock Market of the Taipei Exchange of Taiwan.

“Taxes” means any and all federal, state, local, foreign or other taxes imposed by any Governmental Authority, including all income, gross receipts, license, payroll, recapture, net worth, employment, escheat and unclaimed property obligations, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital share, capital stock, capital gain, ad valorem, value added, inventory, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, assessments, sales, use, transfer, registration, governmental charges, duties, levies and any other charge of any kind in the nature of (or similar to) taxes whatsoever, in each case including any interest, linkage differentials, surcharges, penalty, or addition thereto.

“Third Party Consent” means the applicable consent, waiver or approval required from any third party.

“Transaction Agreements” means the Business Combination Agreement (including the Plan of Merger), the Investor Rights Agreement, the Lock-Up Agreement, the Sponsor Support Agreement, the Company Shareholder Support Agreement, the subscription agreements pursuant to which the PIPE Investment will be consummated, the confidentiality agreement dated as of May 17, 2023 between SPAC and FST, and all the agreements documents, instruments and certificates entered into in connection herewith or therewith and any and all exhibits and schedules thereto.

“Transaction Financing” means any financing, including any equity, equity-linked or debt (whether in the form of debt securities, loans or otherwise) financing, in connection with the Business Combination.

“Transactions” means, collectively, the Merger and each of the other transactions contemplated by the Business Combination Agreement or any of the other Transaction Agreements.

“Treasury Regulations” means the regulations promulgated under the Code by the United States Department of the Treasury (whether in final, proposed or temporary form), as the same may be amended from time to time.

“Trust Account” means the trust account established by SPAC upon the consummation of its initial public offering and into which a certain amount of the net proceeds of the initial public offering, together with a certain amount of the proceeds of a private placement of warrants were deposited simultaneously with the closing of the initial public offering.

“Trust Agreement” means the Investment Management Trust Agreement, dated as of January 24, 2022, between SPAC and Continental, as trustee, as amended by (a) the Amendment No.1 to the Trust Agreement dated April 13, 2023, (b) the Amendment No.2 to the Trust Agreement dated October 25, 2023, and (c) the Amendment No.3 to the Trust Agreement dated November 8, 2023, and as may be further amended from time to time.

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“Warrant Agreement” means the Warrant Agreement, dated as of January 24, 2022, between SPAC and Continental Stock Transfer & Trust Company.

“Working Capital Loans” means any loan made to SPAC by any of the Sponsors, an affiliate of any Sponsor or any of SPAC’s officers or directors, and evidenced by a promissory note, up to \$1,500,000 of such loans may, at the option of the lender, be convertible into warrants of SPAC at a price of \$1.00 per warrant with the terms identical to those of the SPAC Private Placement Warrant.

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SUMMARY TERM SHEET

This Summary Term Sheet, together with the sections entitled *“Questions and Answers About the Business Combination and the Extraordinary General Meeting”* and *“Summary of the Registration Statement/Proxy Statement,”* summarize certain information contained in this Registration Statement/Proxy Statement but does not contain all of the information that is important to you. You should carefully read this entire Registration Statement/Proxy Statement, including the attached annexes, for a more complete understanding of the matters

summarized below.

- SPAC is a blank check company incorporated as a Cayman Islands exempted company on May 20, 2021 for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination involving SPAC and one or more target businesses. For more information about SPAC, see the section entitled “*Business of SPAC and Certain Information About SPAC.*”
- On April 13, 2023, SPAC held the First Extension Meeting, at which SPAC Shareholders approved the First Extension Amendment Proposal, the First Trust Amendment Proposal, the SPAC Class B Ordinary Share Amendment Proposal and the Redemption Limitation Amendment Proposal. In connection with the First Extension Amendment Proposal, shareholders holding 7,399,517 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$77.5 million (approximately \$10.47 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$58.6 million remained in the Trust Account.
- On September 8, 2023 and September 19, 2023, BofA Securities, Inc. and Banco BTG Pactual S.A. — Cayman Branch respectively notified SPAC that they would not act in any capacity in connection with the Business Combination and waived their entitlement to the deferred underwriting commission solely with respect to the Business Combination under and pursuant to the SPAC IPO Underwriting Agreement, dated January 24, 2022, by and among SPAC and BofA Securities, Inc. and Banco BTG Pactual S.A. — Cayman Branch, acting individually and as representatives of the several underwriters named therein.
- On October 25, 2023, SPAC held the Second Extension Meeting, at which SPAC Shareholders approved the Second Extension Amendment Proposal, the Second Trust Amendment Proposal, and the 2023 Name Change Proposal. In connection with the Second Extension Amendment Proposal, shareholders holding 1,658,610 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$18.1 million (approximately \$10.94 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$43.0 million remained in the Trust Account.
- On November 8, 2023, the New SPAC Sponsor notified the SPAC that it elected to convert 1,058,127 SPAC Class B Ordinary Shares held by itself to the same number of SPAC Class A Ordinary Shares, pursuant to the SPAC Class B Ordinary Share Amendment Proposal. On November 16, 2023, 1,058,127 SPAC Class B Ordinary Shares held by the New SPAC Sponsor were converted into the same number of SPAC Class A Ordinary Shares. As of the date hereof, there are 5,000,000 SPAC Class A Ordinary Shares and 2,191,873 SPAC Class B Ordinary Shares issued and outstanding.
- There are currently 6,500,000 SPAC Public Warrants and 7,900,000 SPAC Private Placement Warrants outstanding. Each SPAC Warrant entitles the holder to purchase one SPAC Class A Ordinary Share for \$11.50 per share. Each SPAC Warrant that is outstanding and unexercised immediately prior to the Merger Effective Time will be automatically converted into the right to receive a CayCo Warrant, which shall be on the same terms and conditions as the applicable SPAC Warrant.
- FST is a leading innovator in the golf industry, recognized for its expanding portfolio of high-performance golf club shafts and equipment. See the section entitled “*Business of FST and Certain Information about FST.*”
- SPAC, FST, CayCo and Merger Sub entered into Business Combination Agreement on December 22, 2023. A copy of the Business Combination Agreement is attached to this Registration Statement/Proxy Statement as Annex A.

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- Pursuant to the Business Combination Agreement, and subject to the terms and conditions contained therein, Merger Sub will merge with and into SPAC pursuant to the Plan of Merger and SPAC will be the surviving company and a wholly-owned subsidiary of CayCo. In connection with the Business Combination Agreement, SPAC entered or will enter at the Closing into the following documents:
 - **Sponsor Support Agreement:** currently with the execution of the Business Combination Agreement, SPAC, the Sponsors and FST entered into the Sponsor Support Agreement, pursuant to which the Sponsors have agreed to, among other things, vote in favor of the transactions contemplated under the Business Combination Agreement, from the date when FST received the Taiwan DIR Approval until the Closing Date or, if earlier, until termination of

the Business Combination Agreement.

- **Company Shareholder Support Agreement:** concurrently with the execution of the Business Combination Agreement, SPAC, FST, CayCo, certain Company Shareholders and certain CayCo Shareholders entered into the Company Shareholder Support Agreement, pursuant to which each of such Company Shareholder and CayCo Shareholder has agreed to, among other things, vote to the transactions contemplated under the Business Combination Agreement, and to not transfer any Subject Shares (as defined in the Company Shareholder Support Agreement) until termination of the Company Shareholder Support Agreement.
- **Lock-Up Agreement:** at the Closing, CayCo, the Sponsors, certain FST Shareholders and certain Sponsor Key Holders will enter into the Lock-Up Agreement, pursuant to which, each of the New SPAC Sponsor, such FST Shareholder and Sponsor Key Holder agrees to not to transfer any Lock-Up Shares (as defined in the Lock-Up Agreement) for a period of six (6) months after the Closing Date, with certain exceptions and carveouts.
- **Investor Rights Agreement:** at the Closing, CayCo, FST, SPAC and other parties listed thereto will enter into the Investor Rights Agreement, pursuant to which, (i) CayCo will agree to undertake certain resale shelf registration obligations in accordance with the Securities Act and certain holders have been granted customary demand and piggyback registration rights, and (ii) each party to the Investor Rights Agreement agrees to cause (x) the board of CayCo to be comprised of five (5) directors (subject to increase by unanimous resolutions of the board from time to time), (y) one (1) of such directors should be nominated by the New SPAC Sponsor and (z) at least three (3) of whom shall be independent directors. As long as the Sponsor Parties (as defined in the Investor Rights Agreement) beneficially own any CayCo Ordinary Shares, CayCo shall take all necessary actions to cause the individuals nominated by the New SPAC Sponsor for election as directors to be elected as directors.
- The Closing is subject to the satisfaction (or waiver) of a number of conditions set forth in the Business Combination Agreement, including, among others, SPAC Shareholder Approval of the Business Combination Proposal. For a summary of the conditions that must be satisfied or waived prior to completion of the Business Combination, see the subsection entitled “*The Business Combination Agreement and Ancillary Documents — Conditions to Closing of the Business Combination.*”
- The Business Combination Agreement may be terminated, and the Business Combination may be abandoned at any time prior to the Closing in specified circumstances. For more information about the termination rights under the Business Combination Agreement, see the subsection entitled “*The Business Combination Agreement and Ancillary Documents — Termination.*”
- The Business Combination involves numerous risks. For more information about these risks, please see the section entitled “*Risk Factors.*”
- As of the date of this Registration Statement/Proxy Statement, none of CayCo, FST and SPAC has entered into any agreement in relation to any PIPE Investment.
- Under SPAC MAA, SPAC Public Shareholders may elect to have their SPAC Class A Ordinary Shares redeemed for a pro rata portion of the cash held in the Trust Account (which, for illustrative purposes, was \$11.06 per share as of the Record Date), less any owed but unpaid taxes on the funds and deferred underwriting fees. If a SPAC Public Shareholder properly exercises its redemption rights, SPAC will redeem the related SPAC Class A Ordinary Share for cash, and such shareholder will no longer own such

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SPAC Class A Ordinary Shares and will not participate in the future growth of CayCo, if any in respect of the SPAC Class A Ordinary Shares so redeemed. Such a holder will be entitled to receive cash for its SPAC Class A Ordinary Shares only if it properly demands redemption and delivers its shares (either physically or electronically) to the SPAC Transfer Agent, no later than two (2) Business Days prior to the SPAC Shareholders’ Meeting in accordance with the procedures described herein. For more information regarding these procedures, see the section entitled “*Questions and Answers about the Business Combination and the Extraordinary General Meeting.*”

- It is anticipated that, upon the Closing, the ownership of CayCo will be as follows under several redemption scenarios:

Assuming

Assuming

	Assuming No Redemptions		Intermediate (50%) Redemptions ⁽¹⁾		Maximum (77.5%) Redemptions ⁽²⁾	
	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %
FST Shareholders	40,000,000	64.94%	40,000,000	67.09%	40,000,000	68.34%
Public Shareholders	3,941,873	6.40%	1,970,936	3.31%	885,843	1.51%
Converted SPAC Public Shares held by New SPAC Sponsor ⁽³⁾	1,058,127	1.72%	1,058,127	1.77%	1,058,127	1.81%
Holders of Founder Shares ⁽⁴⁾	2,191,873	3.56%	2,191,873	3.68%	2,191,873	3.74%
Holders of SPAC Public Warrants ⁽⁵⁾	6,500,000	10.55%	6,500,000	10.90%	6,500,000	11.10%
Holders of SPAC Private Warrants ⁽⁴⁾⁽⁶⁾	7,900,000	12.83%	7,900,000	13.25%	7,900,000	13.50%
Pro forma ordinary shares of the Post-Closing Company	61,591,873	100%	59,620,936	100%	58,535,843	100%

- (1) Assumes that 1,970,937 Public Shares are redeemed for aggregate redemption payments of approximately \$21.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023.
- (2) Assumes that 3,056,030 Public Shares are redeemed for aggregate redemption payments of approximately \$33.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes. Assuming a \$11.06 per share redemption price, the number of Public Shares remaining outstanding following the redemption must be at least 885,843 shares for SPAC to fulfill all of the abovementioned assumptions.
- (3) On November 8, 2023, the New SPAC Sponsor notified Chenghe that it elected to convert 1,058,127 Founder Shares to the same number of SPAC Public Shares. On November 16, 2023, 1,058,127 Founder Shares were converted into the same number of Converted SPAC Public Shares. The Converted SPAC Public Shares are identical to the SPAC Public Shares, except that (i) they are entitled to registration rights, (ii) they are subject to the transfer restrictions as set forth in the SPAC IPO Letter Agreement, (iii) pursuant to the SPAC IPO Letter Agreement, the Sponsors agreed to waive their redemption rights with respect to the Converted SPAC Public Shares in connection with (A) the SPAC's initial business combination, (B) a shareholder vote to approve an amendment to the SPAC's constitutional documents to (x) modify the substance or timing of the SPAC's obligation to allow redemption in connection with the SPAC's initial business combination, or to redeem 100% of SPAC Public Shares if SPAC has not completed an initial business combination by the Extended Deadline or (y) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity
- (4) The Sponsors and their affiliates' total potential ownership interest in the post-Closing Company, assuming the exercise and conversion of all securities following the Closing, including the SPAC Private Placement Warrants, the Converted SPAC Public Shares as described above, and Founder Shares, is estimated to comprise approximately 18.10% of outstanding CayCo Ordinary Shares in a no redemption scenario, 18.70% of outstanding CayCo Ordinary Shares in an intermediate redemption scenario and 19.05% of outstanding CayCo Ordinary Shares in a maximum redemption scenario.
- (5) Assumes the exercise of all issued and outstanding SPAC Public Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination.

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- (6) Assumes the exercise of all issued and outstanding SPAC Private Placement Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination. As of the date of this Registration Statement/Proxy Statement, the Sponsors have not extended any working capital loan to Chenghe, which may be convertible into warrants at the option of the Sponsors. None of Chenghe, its directors and officers is aware of any intention to obtain any working capital loan which may be convertible into warrants from the Sponsors.

- Please see sections entitled "Summary of Registration Statement/Proxy Statement — Ownership of CayCo Post-Closing" and "Unaudited Pro forma Condensed Consolidated Financial Information"

for more information. The SPAC Board considered various factors in determining whether to approve the Business Combination Agreement and the Business Combination. For more information about the decision-making process of the SPAC Board, see the section entitled “SPAC Shareholder Proposal No. 1 — The Business Combination Proposal — SPAC Board’s Reasons for the Approval of the Business Combination and Recommendation.” When you consider the unanimous recommendation of the SPAC Board, you should keep in mind that the Sponsors have interests in the Business Combination that are different from, or in addition to, your interests as a shareholder. Please see the section entitled “SPAC Shareholder Proposal No. 1 — The Business Combination Proposal — Interests of Certain Persons in the Business Combination.”

- In addition to voting on the proposal to adopt and approve the Business Combination Agreement and the Business Combination, at the SPAC Shareholders’ Meeting, the SPAC Shareholders will also be asked to consider and vote on the approval of a proposal to approve the adjournment of the SPAC Shareholders’ Meeting to a later date or dates, if necessary or appropriate, to permit further solicitation and vote of proxies in the event that there are insufficient votes for, or otherwise in connection with, the approval of the Business Combination Proposal. If put forth at the SPAC Shareholders’ Meeting, the Adjournment Proposal will be the only proposal voted upon and the Business Combination Proposal will not be submitted to the SPAC Shareholders for a vote at the SPAC Shareholders’ Meeting.

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QUESTIONS AND ANSWERS ABOUT THE BUSINESS COMBINATION AND THE EXTRAORDINARY GENERAL MEETING

The questions and answers below highlight only elected information set forth elsewhere in this Registration Statement/Proxy Statement and only briefly address some commonly asked questions about the Extraordinary General Meeting and the proposals to be presented at the Extraordinary General Meeting, including with respect to the proposed Business Combination. The following questions and answers do not include all the information that may be important to our shareholders. We urge shareholders to carefully read this entire Registration Statement/Proxy Statement, including the annexes and the other documents referred to herein, to fully understand the proposed Business Combination and the voting procedures for the Extraordinary General Meeting.

“We,” “us,” or “our” and “Company” in this section refers to Chenghe. Capitalized terms hereunder but not otherwise defined shall have the meaning as set forth under the section titled “Certain Defined Terms.”

Q: Why am I receiving this proxy statement?

A: Our shareholders are being asked to consider and vote upon, as an ordinary resolution, a proposal to approve the Business Combination and other transactions as contemplated by the Business Combination Agreement, a copy of which is attached to this Registration Statement/Proxy Statement as Annex A, among other proposals. We have entered into the Business Combination Agreement, which provides that, among other transactions, on the terms and subject to the conditions set forth therein, Merger Sub will merge into and with us, with us being the surviving company and becoming a wholly-owned subsidiary of CayCo. You are being asked to vote on the Business Combination and related matters (SPAC Shareholder Proposal No. 1 — The Business Combination Proposal).

Q: Are there any other matters being presented to shareholders at the meeting?

A: In addition to the Business Combination Proposal as described in the question above, the Company’s shareholders are also being asked to consider and vote upon the following proposals:

- **The Merger Proposal** — to consider and vote upon, as a special resolution, a proposal to approve and adopt the Plan of Merger and approve the transactions contemplated thereby, including, without limitation the Merger. A copy of the Plan of Merger is attached as Annex A-1 to this Registration Statement/Proxy Statement (SPAC Shareholder Proposal No. 2 — The Merger Proposal);
- **The Authorized Share Capital Amendment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to approve, with effect from the effective time of the Merger, the reclassification and re-designation of (a) 200,000,000 issued and unissued Class A ordinary shares of a par value of \$0.0001 each to 200,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; (b) 20,000,000 issued and unissued Class B ordinary shares of a par value of \$0.0001 each to 20,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; and (c) 1,000,000 authorized but unissued preference shares of a par value of \$0.0001 each to 1,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each (the “Re-designation”) so that following such Re-designation, the authorized share capital of the Company shall be \$22,100 divided

into 221,000,000 ordinary shares of a par value of \$0.0001 each, and immediately after the Re-designation, the authorized share capital of the Company be increased from \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each to \$50,000 divided into 500,000,000 ordinary shares of a par value of \$0.0001 each by the creation of an additional 279,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each to rank pari passu in all respects with the existing ordinary shares (*SPAC Shareholder Proposal No. 3 — The Authorized Share Capital Amendment Proposal*);

- **The Articles Amendment Proposals** — to consider and vote upon, as special resolutions, two separate special resolutions to respectively approve, with effect from the effective time of the Merger:
 - (a) the change of name of the Company from “Chenghe Acquisition I Co.” to “FST Ltd.”; and
 - (b) the amended and restated memorandum and articles of association of SPAC currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the Restated M&A, a copy of which is attached as Annex H to this Registration Statement/Proxy Statement (*Proposal No. 4 — The Articles Amendment Proposals*); and

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- **The Adjournment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to adjourn the Extraordinary General Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the Extraordinary General Meeting, there are not sufficient votes to approve one or more proposals presented to shareholders for vote (*SPAC Shareholder Proposal No. 5 — The Adjournment Proposal*).

We will hold the Extraordinary General Meeting of shareholders to consider and vote upon these proposals. This Registration Statement/Proxy Statement and its annexes contain important information about the proposed Business Combination and the other matters to be acted upon at the Extraordinary General Meeting. You should read this Registration Statement/Proxy Statement and its annexes carefully and in their entirety.

The vote of shareholders Is important. Regardless of how many shares you own, you are encouraged to vote as soon as possible after carefully reviewing this Registration Statement/Proxy Statement.

Q: Why is the Company providing shareholders with the opportunity to vote on the Business Combination?

A: Pursuant to Chenghe Articles, we are required to provide Public Shareholders with an opportunity to have their shares redeemed for cash upon the consummation of our initial business combination, either in conjunction with a shareholder vote or tender offer. Due to the structure of the Business Combination, we are providing this opportunity in conjunction with a shareholder vote.

Q: What will happen to our securities upon consummation of the Business Combination?

A: SPAC Units and Public Shares are currently listed on Nasdaq under the symbols “LATGU” and “LATG.” On September 8, 2023, Nasdaq delisted the SPAC Public Warrants due to SPAC’s failure to maintain a minimum of \$1,000,000 in aggregate market value of its outstanding SPAC Public Warrants, as set forth in Nasdaq’s Listing Rule 5452(b)(C). Chenghe has not made application for the SPAC Public Warrants to be listed on the OTC markets, and Chenghe is not aware of any plan of CayCo to apply for the listing of CayCo Warrants on any stock exchange after the Closing. For more information, please see “*Risk Factors — SPAC Public Warrants are delisted from Nasdaq.*” Our securities will cease trading upon consummation of the Business Combination. FST intends to apply for listing of CayCo Ordinary Shares on the Stock Exchange under the symbol “[•],” to be effective upon consummation of the Business Combination. While trading on Stock Exchange is expected to begin on the first Business Day following the consummation of the Business Combination, there can be no assurance that CayCo Ordinary Shares will be listed on the Stock Exchange or that a viable and active trading market will develop.

Q: What are the U.S. federal income tax consequences of the Business Combination to a U.S. Holder of SPAC Class A Ordinary Shares and/or SPAC Warrants?

A: Subject to the limitations and qualifications described more fully under the section titled “*Material U.S. Federal Income Tax Considerations,*” it is intended by the parties to the Business Combination Agreement that, for U.S. federal income tax purposes, (i) the FST Restructuring together with the Merger qualify as a transfer of property described in Section 351 of the Code and/or (ii) the Merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code and the Treasury Regulations

promulgated thereunder. However, there are significant factual and legal uncertainties as to whether the Transactions qualify for such intended tax treatment, and no assurance can be given that the IRS would not assert, or that a court would not sustain, a contrary position. No ruling has been, or will be, sought by Chenghe or FST from the IRS with respect to the Business Combination and there can be no assurance that the IRS will not challenge the intended tax treatment or that a court would not sustain such a challenge.

The tax consequences of the Business Combination are complex and will depend on your particular circumstances. For a more detailed discussion of the U.S. federal income tax considerations of the Business Combination for U.S. Holders of SPAC Class A Ordinary Shares and/or SPAC Warrants, see the section titled “*Material U.S. Federal Income Tax Considerations*.” If you are a U.S. Holder whose SPAC Class A Ordinary Shares and/or SPAC Warrants are exchanged in the Business Combination, you are urged to consult your tax advisor to determine the tax consequences thereof.

The summary above is qualified in its entirety by the more detailed discussion provided in the section titled “*Material U.S. Federal Income Tax Considerations*.”

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Q: Why is the Company proposing the Business Combination?

A: We were incorporated to effect a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

On January 27, 2022, we consummated the SPAC IPO of 13,000,000 SPAC Units at an offering price of \$10.00 per SPAC Unit, generating total gross proceeds of \$130,000,000. Simultaneously with the closing of the SPAC IPO, we consummated the sale of 7,900,000 warrants at a price of \$1.00 per warrant in a private placement to the Old SPAC Sponsor, generating gross proceeds of \$7,900,000, a portion of which was sold by the Old SPAC Sponsor to the New SPAC Sponsor in the Sponsor Sale consummated on October 6, 2023. Following the closing of the SPAC IPO, an amount equal to \$132,600,000 from the net proceeds of the sale of the SPAC Units and SPAC Private Placement Warrants in the SPAC IPO was placed into the Trust Account. Since the SPAC IPO, our activity has been limited to the evaluation of business combination candidates.

On April 13, 2023, we held the First Extension Meeting, at which SPAC Shareholders approved the First Extension Amendment Proposal, the First Trust Amendment Proposal, the SPAC Class B Ordinary Share Amendment Proposal and the Redemption Limitation Amendment Proposal. In connection with the First Extension Amendment Proposal, shareholders holding 7,399,517 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$77.5 million (approximately \$10.47 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$58.6 million remained in the Trust Account.

On October 25, 2023, we held the Second Extension Meeting, at which SPAC Shareholders approved the Second Extension Amendment Proposal, the Second Trust Amendment Proposal, and the 2023 Name Change Proposal. In connection with the Second Extension Amendment Proposal, shareholders holding 1,658,610 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$18.1 million (approximately \$10.94 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$43.0 million remained in the Trust Account.

On November 8, 2023, the New SPAC Sponsor notified the SPAC that it elected to convert 1,058,127 SPAC Class B Ordinary Shares held by itself to the same number of SPAC Class A Ordinary Shares, pursuant to the SPAC Class B Ordinary Share Amendment Proposal. On November 16, 2023, 1,058,127 SPAC Class B Ordinary Shares held by the New SPAC Sponsor were converted into the same number of SPAC Class A Ordinary Shares. As of the date hereof, there are 5,000,000 SPAC Class A Ordinary Shares and 2,191,873 SPAC Class B Ordinary Shares issued and outstanding.

We believe that the Business Combination will provide our shareholders with an opportunity to participate in the ownership of a company with significant growth potential. See the section titled “*SPAC Shareholder Proposal No.1 — The Business Combination Proposal — SPAC Board’s Reasons for the Approval of the Business Combination and Recommendation*.”

Q: Did Chenghe Board obtain a third-party valuation or fairness opinion in determining whether or not to proceed with the Business Combination?

A: No. Chenghe Board did not obtain a third-party valuation or fairness opinion in connection with its determination to approve the Business Combination. Accordingly, investors will be relying solely on the judgment of Chenghe Board and our management team in valuing FST and will be assuming the risk that

Chenghe Board may not have properly valued the business. However, our directors and officers have substantial experience in evaluating the operating and financial merits of companies from a wide range of industries and have substantial experience with mergers and acquisitions. Furthermore, in analyzing the Business Combination, Chenghe Board conducted significant due diligence on FST. Based on the foregoing, Chenghe Board had given due and proper consideration to all matters and things that are necessary or appropriate, including that the Business Combination was fair from a financial perspective to our shareholders and that FST's fair market value was at least 80% of the assets held in the Trust Account (net of amounts previously disbursed to the Company's management for taxes and excluding the amount of deferred underwriting discounts held in the Trust Account), to enable it to evaluate and reach an information conclusion as to the fairness and reasonableness of the Transactions. There can be no assurance, however, that Chenghe Board was correct in its assessment of the Business Combination. For a complete discussion of the factors utilized by Chenghe Board in approving the Business Combination, see the section titled "*SPAC Shareholder Proposal No. 1 — The Business Combination Proposal*."

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Q: Will projections that Chenghe Board considered when evaluating and recommending the Business Combination be realized?

A: In performing its analysis of FST, Chenghe Board considered, among other things, and relied on certain information, including forecasts and financial projection prepared by, and at the direction of, the management of FST. See the section titled "*SPAC Shareholder Proposal No. 1 — The Business Combination Proposal — Summary of Financial and Valuation Analyses of FST*."

The projected financial information was prepared using several assumptions, including the following assumptions that FST management believed to be material:

- projected revenue is based on a variety of operational assumptions, including among others continued growth in the golf population, the growing participation in golf by the millennials and female, and the continued development of golf in emerging markets, such as China and Middle East, the continued development in off-line golf activities, the gradual decline in the inflation rate and global interest rate, the recovery of economy in major economies, the realization of synergy from acquisitions of other golf shaft industry player, and the reach of economy of scale with increased operation scale;
- FST will be able to grow the brand recognition for its KBS shafts in the United States through opening additional boutiques and collaborating with other golf club brands;
- FST will successfully select, acquire and merge its operation with an acquisition target in the golf shaft industry space, which in turn, will lead to increased manufacturing capacity, cost-savings through economy of scale, increased revenue, and improved industry competitive position;
- FST will complete its planned acquisition within the timeframe as planned;
- FST will be able to continue to develop golf shafts accepted and liked by the golf community, and design new golf shafts for the growing niches in the market, such as millennials, who are more cost-sensitive, and females, who prefer light weight shafts;
- FST will be able to successfully market its products in other markets, such as Europe, Japan, Korea, China and Middle East, each may have difference customer preferences as compared with the United States;
- FST will be able to manage its cost of operation and realize cost-saving after its planned acquisition. Reduction in costs associated with manufacturing overhead, warranty and logistics are taken into consideration as well; and
- other key assumptions impacting profitability projections including headcount, third party contractors, engineering consulting and prototyping spend, but excluding costs associated with public company operations and compliance.

Note the unaudited projected financial information is subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the unaudited projected financial information, including, among others, risks and uncertainties relating to FST's business, industry performance, the regulatory environment, and general business and economic conditions. For more information, see "*Risk Factors — CayCo's forecasts and projections are based upon assumptions, analyses and internal estimates developed by its management. If these assumptions, analyses or estimates prove to be incorrect or inaccurate, CayCo's actual operating results may differ materially and adversely from those forecasted or projected.*"

Q: Do I have redemption rights?

- A:** If you are a Public Shareholder, you have the right to demand that we redeem your Public Shares for a pro rata portion of the cash held in our Trust Account, calculated as of two (2) Business Days prior to the consummation of the Business Combination. We refer to the right to demand redemption of the Public Shares as “redemption rights.”

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Notwithstanding the foregoing, a Public Shareholder, together with any affiliate of his or her or any other person with whom such holder is acting in concert or as a “group” (as defined in Section 13(d)(3) of the Exchange Act), will be restricted from seeking redemption rights with respect to more than 15% of the Public Shares. Accordingly, all Public Shares in excess of 15% held by a Public Shareholder, together with any affiliate of such holder or any other person with whom such holder is acting in concert or as a “group,” will not be redeemed and converted into cash.

Furthermore, under the Business Combination Agreement, as one of the Closing Conditions, we shall not redeem Public Shares that would cause our net tangible assets to be less than \$5,000,001 following such redemptions, unless such condition have been waived by all parties.

Q: Will how I vote on the Business Combination affect my ability to exercise my redemption rights?

- A:** No. A Public Shareholder may exercise redemption rights regardless of whether it votes for or against the Business Combination Proposal or votes on such proposal at all, or if it is a shareholder on the Record Date. This means that any Public Shareholder holding Public Shares may exercise redemptions rights so long as it holds Public Shares as of the date it tenders the shares for redemption, regardless of whether it is entitled to vote on any of the SPAC Shareholder Proposals and regardless of whether it votes at all.

Q: How do I exercise my redemption rights?

- A:** If you are a Public Shareholder and wish to exercise your redemption rights, you must demand that we redeem your shares for cash and tender your Public Shares to Continental Stock Transfer & Trust Company, our transfer agent, no later than two (2) Business Days prior to the Extraordinary General Meeting. You may tender your Public Shares by either delivering your share certificates (if any) and other redemption forms to the transfer agent or by delivering your Public Shares to the transfer agent electronically using The Depository Trust Company’s Deposit/Withdrawal at Custodian (“DWAC”) System. If you hold your shares in “street name” through a bank, broker or other nominee, you will need to follow the instructions provided to you by your bank, broker or other nominee to ensure that your Public Shares are properly tendered for redemption. Any Public Shareholder satisfying the requirements for exercising redemption rights will be entitled to a pro rata portion of the amount then in the Trust Account (which, for illustrative purposes, was \$[•] per share, as of the Record Date), less any owed but unpaid taxes on the funds in the Trust Account and deferring underwriting fees. Such amount will be paid promptly upon consummation of the Business Combination. There are currently no owed but unpaid income taxes on the funds in the Trust Account.

Any request for redemption, once made by a Public Shareholder, may be withdrawn at any time up to the deadline for submitting redemption requests, which is [•], 2024 (two (2) Business Days prior to the date of the Extraordinary General Meeting), and thereafter, with our consent, until the Closing. If you deliver your share certificates (if any) and other redemption forms to our transfer agent and later decide prior to the Extraordinary General Meeting not to elect redemption, you may request that our transfer agent return the shares (physically or electronically). You may make such request by contacting our transfer agent at the address listed at the end of this section or, if you hold your shares in “street name,” by contacting your bank, broker or other nominee and following their instructions to withdraw your request for redemption.

Any corrected or changed written exercise of redemption rights must be received by our transfer agent at least two (2) Business Days prior to the vote taken on the Business Combination Proposal at the Extraordinary General Meeting. No demand for redemption will be honored unless the holder’s share certificates (if any) and other redemption forms or Public Shares have been delivered (either physically or electronically) to the transfer agent.

If you are a Public Shareholder and you exercise your redemption rights validly, it will not result in loss of any SPAC Public Warrants that you may hold.

Q: If I am a holder of the SPAC Public Warrants, can I exercise redemption rights with respect to my warrants?

- A:** No. Warrant holders have no redemption rights with respect to such securities.

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Q: Can the Sponsors and their respective affiliates redeem their Founder Shares and/or Converted SPAC Public Shares, as the case may be, in connection with the consummation of the Business Combination?

A: No. The Sponsors and their respective affiliates have agreed to waive their redemption rights with respect to the Converted SPAC Public Shares, the SPAC Public Shares that they may acquire and SPAC Class B Ordinary Shares they may hold in connection with the consummation of the Business Combination, pursuant to the SPAC IPO Letter Agreement, and they did not, and are not expected to, receive any consideration in exchange for such waiver. As set forth in the SPAC IPO Letter Agreement, the relevant parties agreed to waive their redemption rights in order to induce SPAC and the underwriters of SPAC IPO to enter into the SPAC IPO Underwriting Agreement and to proceed with the SPAC IPO.

Q: What are the U.S. federal income tax consequences to me if I exercise my redemption rights?

A: We expect that a U.S. Holder (as defined below in the section titled “*Material U.S. Federal Income Tax Considerations*”) that exercises its redemption rights to receive cash from the Trust Account in exchange for its SPAC Class A Ordinary Shares will generally be treated as selling such SPAC Class A Ordinary Shares resulting in the recognition of capital gain or loss. There may be certain circumstances in which the redemption may be treated as a distribution for U.S. federal income tax purposes depending on the amount of SPAC Class A Ordinary Shares that such U.S. Holder owns or is deemed to own (including through the ownership of warrants) prior to and following the redemption. The U.S. federal income tax consequences of the redemption depend on your particular facts and circumstances. In addition, the potential application of the “passive foreign investment company” rules may impact such tax consequences as described below in the section titled “*Material U.S. Federal Income Tax Considerations — Certain U.S. Federal Income Tax Consequences of Exercising Redemption Rights to U.S. Holders — PFIC Considerations.*” For a more complete discussion of the U.S. federal income tax considerations of an exercise of redemption rights, please see the section titled “*Material U.S. Federal Income Tax Considerations.*” We urge you to consult your own tax advisors regarding the tax consequences of exercising your redemption rights, including with respect to the application of the “passive foreign investment company” rules to any such exercise of redemption rights.

Q: Do I have appraisal rights if I object to the proposed Business Combination?

A: The Cayman Companies Act prescribes when shareholder appraisal rights will be available and sets the limitations on such rights. Where such rights are available and have been validly exercised and not effectively withdrawn or lost, dissenting shareholders are entitled to receive fair value for their shares as determined by the Grand Court of the Cayman Islands.

Regardless of whether shareholder appraisal rights are or are not available, Holders of SPAC Class A Ordinary Shares are still entitled to exercise the rights of redemption as set out herein. However, Holders of SPAC Class A Ordinary Shares who elect to exercise appraisal rights will lose their right to exercise their redemption rights as described herein.

In order for Holders of SPAC Class A Ordinary Shares to validly exercise their appraisal rights in connection with the Business Combination under the Cayman Companies Act, they must provide to Chenghe prior to the Extraordinary General Meeting their written objection to the Business Combination and a statement demanding the payment for their SPAC Class A Ordinary Shares, and subsequently comply with all procedures and requirements of Section 238 of the Cayman Companies Act for the exercise of shareholder appraisal rights.

In essence, that procedure is as follows: (i) as noted above, the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (ii) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice of such approval to each shareholder who made a written objection; (iii) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent in respect of all of his shares, including, among other details, a demand for payment of the fair value of his shares; (iv) within seven days following the date of the expiration of the period set out in (iii) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to

purchase his shares at a price that the company determines is the fair value and if the company and the dissenting shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the dissenting shareholder such amount; and (v) if the company and the dissenting shareholder fail to agree on a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company must (and any dissenting shareholder may) file a petition with the Grand Court of the Cayman Islands to determine the fair value, and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached.

Q: What happens to the funds deposited in the Trust Account after consummation of the Business Combination?

- A:** The net proceeds of the SPAC IPO, together with a portion of the proceeds from the sale of the warrants in a private placement to the Old SPAC Sponsor, equal in the aggregate to \$132,600,000, were placed in the Trust Account immediately following the SPAC IPO.

On April 13, 2023, we held the First Extension Meeting, in connection with which, shareholders holding 7,399,517 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$77.5 million (approximately \$10.47 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$58.6 million remained in the Trust Account.

On September 8, 2023 and September 19, 2023, BofA Securities, Inc. and Banco BTG Pactual S.A. — Cayman Branch respectively notified SPAC that they would not act in any capacity in connection with the Business Combination and waived their entitlement to the deferred underwriting commission solely with respect to the Business Combination under and pursuant to the SPAC IPO Underwriting Agreement, dated January 24, 2022, by and among SPAC and BofA Securities, Inc. and Banco BTG Pactual S.A.- Cayman Branch, acting individually and as representatives of the several underwriters named therein.

On October 25, 2023, we held the Second Extension Meeting, in connection with which, shareholders holding 1,658,610 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$18.1 million (approximately \$10.94 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$43.0 million remained in the Trust Account.

After consummation of the Business Combination, the funds in the Trust Account will be used to pay, on a pro rata basis, Public Shareholders who exercise redemption rights and to pay fees and expenses incurred in connection with the Business Combination. Any remaining cash will be used for working capital and general corporate purposes of the Post-Closing Company.

Q: What happens if a substantial number of Public Shareholders vote in favor of the Business Combination Proposal and exercise their redemption rights?

- A:** Public Shareholders may vote in favor of the Business Combination and still exercise their redemption rights, although they are not required to vote in any way to exercise such redemption rights. Accordingly, the Business Combination may be consummated even though the funds available from the Trust Account and the number of Public Shareholders is substantially reduced as a result of redemptions by Public Shareholders. To the extent that there are fewer public shares and public shareholders, the trading market for the ordinary shares of the Post-Closing Company may be less liquid than the market was for SPAC Public Shares prior to the Transactions, and the Post-Closing Company may not be able to meet the listing standards of a national securities exchange. In addition, to the extent of any redemptions, fewer funds from the Trust Account would be available to the Post-Closing Company following the consummation of the Business Combination.

Furthermore, under the Business Combination Agreement, as one of the Closing Conditions, we shall not redeem Public Shares that would cause our net tangible assets to be less than \$5,000,001 following such redemptions, unless such condition have been waived by all parties.

Q: What ownership levels will current shareholders of Chenghe have after consummation of the Business Combination?

- A:** In connection with the Business Combination, Chenghe and FST agreed on a fixed pre-money equity value of U.S.\$400 million for the Post-Closing Company. At the consummation of the FST Restructuring, CayCo will issue and allot to each FST Shareholder who agrees to participate in the FST Restructuring in respect of each Company Share owned by such person, a number of CayCo Ordinary Shares that is no more than the Subscription Factor, which is the number resulting from dividing (x) the result of the quantity of U.S.\$400 million divided by U.S.\$10.00, by (y) the Aggregate Fully Diluted Company Shares as at the time of calculation, and the aggregate number of such CayCo Ordinary Shares will be equal to the product of (x) total number of Company Shares owned by the Company Shareholders who have signed the Company Restructuring Documents and (y) the Subscription Factor. Any increase in the number of FST Shareholders who participate in the FST Restructuring will increase in the number of CayCo Ordinary Shares issued in connection with the FST Restructuring and at the consummation of the Business Combination. As of the date of this Registration Statement/Proxy Statement, none of CayCo, FST and Chenghe has entered into any agreement with any investor in relation to the PIPE Investment.

In addition, FST shall, as soon as practicable and to the extent legally feasible under the applicable laws after the closing of the Business Combination, enter into and consummate a transaction with CayCo for CayCo to acquire the Company Shares owned by the Remaining Company Shareholders or other alternative transactions to be agreed by the New SPAC Sponsor and FST. For the illustrative purpose only, we assume that at the consummation of the FST Restructuring, all FST Shareholders agree to participate in the FST Restructuring.

Assuming none of the Public Shareholders demand redemption pursuant to the Chenghe Articles, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 64.94% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.10% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 6.40% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of Public Warrant will hold approximately 10.55% of the Post-Closing Company's total issued and outstanding share capital.

Assuming intermediate redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 67.09% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.70% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 3.31% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of Public Warrant will hold approximately 10.90% of the Post-Closing Company's total issued and outstanding share capital.

Assuming maximum redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 68.34% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 19.05% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 1.51% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of Public Warrant will hold approximately 11.10% of the Post-Closing Company's total issued and outstanding share capital.

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The following table illustrates the ownership levels in the Post-Closing Company, assuming consummation of the Business Combination, the Company Acquisition Percentage reaching 100% at the consummation of the FST Restructuring and assuming the exercise of all issued and outstanding SPAC Warrants, and no redemptions by Public Shareholders, 50% redemptions by Public Shareholders (the “**Intermediate Redemption**”) and the redemptions by Public Shareholders holding 3,056,030 Public shares, so that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from

the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes (the “**Maximum Redemption**”), which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes. The amounts of percentage ownership and voting power will change if the actual facts differ from the assumptions.

	Assuming No Redemptions		Assuming Intermediate (50%) Redemptions ⁽¹⁾		Assuming Maximum (77.6%) Redemptions ⁽²⁾	
	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %
FST Shareholders	40,000,000	64.94%	40,000,000	67.09%	40,000,000	68.34%
Public Shareholders	3,941,873	6.40%	1,970,936	3.31%	885,843	1.51%
Converted SPAC Public Shares held by New SPAC Sponsor ⁽³⁾	1,058,127	1.72%	1,058,127	1.77%	1,058,127	1.81%
Holders of Founder Shares ⁽⁴⁾	2,191,873	3.56%	2,191,873	3.68%	2,191,873	3.74%
Holders of SPAC Public Warrants ⁽⁵⁾	6,500,000	10.55%	6,500,000	10.90%	6,500,000	11.10%
Holders of SPAC Private Warrants ⁽⁴⁾⁽⁶⁾	7,900,000	12.83%	7,900,000	13.25%	7,900,000	13.50%
Pro forma ordinary shares of the Post-Closing Company	61,591,873	100%	59,620,936	100%	58,535,843	100%

- (1) Assumes that 1,970,937 Public Shares are redeemed for aggregate redemption payments of approximately \$21.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023.
- (2) Assumes that 3,056,030 Public Shares are redeemed for aggregate redemption payments of approximately \$33.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement. Assuming a \$11.06 per share redemption price, the number of Public Shares remaining outstanding following the redemption must be at least 885,843 shares for SPAC to fulfill all of the abovementioned assumptions.
- (3) On November 8, 2023, the New SPAC Sponsor notified Chenghe that it elected to convert 1,058,127 Founder Shares to the same number of SPAC Public Shares. On November 16, 2023, 1,058,127 Founder Shares were converted into the same number of Converted SPAC Public Shares. The Converted SPAC Public Shares are identical to the SPAC Public Shares, except that (i) they are entitled to registration rights, (ii) they are subject to the transfer restrictions as set forth in the SPAC IPO Letter Agreement, (iii) pursuant to the SPAC IPO Letter Agreement, the Sponsors agreed to waive their redemption rights with respect to the Converted SPAC Public Shares in connection with (A) the SPAC’s initial business combination, (B) a shareholder vote to approve an amendment to the SPAC’s constitutional documents to (x) modify the substance or timing of the SPAC’s obligation to allow redemption in connection with the SPAC’s initial business combination, or to redeem 100% of SPAC Public Shares if SPAC has not completed an initial business combination by the Extended Deadline or (y) with respect to any other material provisions relating to shareholders’ rights or pre-initial business combination activity

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- (4) The Sponsors and their affiliates’ total potential ownership interest in the post-Closing Company, assuming the exercise and conversion of all securities following the Closing, including the SPAC Private Placement Warrants, the Converted SPAC Public Shares as described above, and Founder Shares, is estimated to comprise approximately 18.10% of outstanding CayCo Ordinary Shares in a no redemption scenario, 18.70% of outstanding CayCo Ordinary Shares in an intermediate redemption scenario and 19.05% of outstanding CayCo Ordinary Shares in a maximum redemption scenario.
- (5) Assumes the exercise of all issued and outstanding SPAC Public Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination.
- (6) Assumes the exercise of all issued and outstanding SPAC Private Placement Warrants, each for one CayCo Ordinary

Share, at the closing of the Business Combination. As of the date of this Registration Statement/Proxy Statement, the Sponsors have not extended any working capital loan to Chenghe, which may be convertible into warrants at the option of the Sponsors. None of Chenghe, its directors and officers is aware of any intention to obtain any working capital loan which may be convertible into warrants from the Sponsors.

Q: What conditions must be satisfied to complete the Business Combination?

A: There are a number of Closing Conditions, including among others, (i) the accuracy of representations and warranties to various standards, from no material qualifier to a material adverse effect qualifier, (ii) material compliance with pre-closing covenants, (iii) no material adverse effect for the Company, (iv) the Company Acquisition Percentage reaching at least 90%; (v) the consummation of the FST Restructuring, (vi) the delivery of customary closing certificates, (vii) the receipt of Taiwan DIR Approval and such approval being effective, (viii) the absence of a legal prohibition on consummating the Transactions, (ix) approval by Chenghe's and FST's shareholders, (x) approval of a listing application on the applicable Stock Exchange for newly issued shares, and (xi) Chenghe having at least U.S.\$5,000,001 of net tangible assets remaining after redemption. For a description of the Closing Conditions, see the section titled "*The Business Combination Agreement and Ancillary Documents — Conditions to Closing of the Business Combination.*"

Q: What happens if the Business Combination is not consummated?

A: If we do not complete the Business Combination for whatever reason, we would search for another target business with which to complete a business combination. If we do not complete the Business Combination or another business combination by the Extended Deadline, we must redeem 100% of the issued and outstanding Public Shares, at a per-share price, payable in cash, equal to an amount then held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses) divided by the number of outstanding Public Shares and, following such redemption, we will liquidate and dissolve. Our holders of the Founder Shares waived their redemption rights with respect to ordinary shares owned by them in the event a business combination is not effected in the required time period.

Q: How do our Sponsors intend to vote on the proposals?

A: The Sponsors beneficially own and are entitled to vote an aggregate of 45.2% of our issued and outstanding ordinary shares prior to the Business Combination. They have agreed to vote their shares in favor of the Business Combination Proposal and all other proposals being presented at the Extraordinary General Meeting, and to not exercise redemption rights with respect to their shares.

Q: What interests do the Sponsors and our current directors and officers have in the Business Combination?

A: In considering the recommendation of Chenghe Board to vote in favor of the Business Combination, shareholders should be aware that, our Sponsors, directors and officers have interests in the Business Combination that are different from, or in addition to, those of other shareholders generally, which could cause them to benefit from and incentivize them to pursue a business combination with a less favorable target company or on terms less favorable to non-redeeming shareholders rather than liquidate, subject always to their fiduciary duties under Cayman Islands law. Our directors were aware of and considered these interests, among other matters, in evaluating the Business Combination and did not believe that such interests would preclude them from approving the Business Combination or from recommending the Business Combination to shareholders, considering that

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these interests would be disclosed in this Registration Statement/Proxy Statement. Shareholders should take these interests into account in deciding whether to approve the Business Combination. These interests include, among other things:

- the fact that the Old SPAC Sponsor paid an aggregate of \$25,000 for 3,250,000 Founder Shares, which will have a significantly higher value at the time of the Business Combination but will become worthless if a business combination is not consummated by the Extended Deadline. Based on the closing price for the Public Shares of \$[•] on the Nasdaq on [•], 20[•], after giving effect to the Sponsor Sale, the value of the Founder Shares held by the Old SPAC Sponsor would be \$[•];
- the fact that our Old SPAC Sponsor paid an aggregate of approximately \$7,900,000 for its 7,900,000 SPAC Private Placement Warrants to purchase SPAC Class A Ordinary Shares and that such SPAC Private Placement Warrants will expire worthless if a business combination is not consummated by the Extended Deadline;
- the fact that the New SPAC Sponsor entered into the Sponsor Sale SPA with the Old SPAC Sponsor

for the acquisition of an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor for an aggregate purchase price of \$1.00 plus \$450,000 extension contribution payment incurred prior to the date of the Sponsor Sale SPA and other extension payments that may become due after the Sponsor Sale, and in accordance with the terms of the Trust Agreement. Based on the closing price for the Public Shares of \$[•] on the Nasdaq on [•], 20[•], the value of the Founder Shares held by the New SPAC Sponsor would be \$[•], and the value of the Converted SPAC Public Shares held by the New SPAC Sponsor would be \$[•];

- the fact that the Sponsors are anticipated to hold [•]% of issued and outstanding shares of the Post-Closing Company immediately following the Business Combination (assuming no redemptions of our Public Shareholders and the exercise of SPAC Private Placement Warrants);
- the fact that, given the differential in the purchase price that our Sponsors paid for the Founder Shares and the purchase price that the Sponsors paid for the SPAC Private Placement Warrants as compared to the price of the Public Shares and SPAC Public Warrants and the substantial number of SPAC Class A Ordinary Shares that the Sponsors and these individuals will receive upon conversion of the Founder Shares and (as applicable) SPAC Private Placement Warrants, the Sponsors and these individuals can earn a positive return on their investment, even if Public Shareholders have a negative return on their investment;
- the fact that our Sponsors have agreed not to redeem any SPAC Ordinary Shares held by them in connection with the shareholder vote to approve a proposed initial business combination pursuant to the SPAC IPO Letter Agreement;
- the fact that our Sponsors will lose their entire investment in us if an initial business combination is not consummated by the Extended Deadline. Our Sponsors, officers and directors and their respective affiliates have not incurred any out-of-pocket fees and expenses in relation to our initial business combination since the SPAC IPO, except that, on October 25, 2023, SPAC issued a non-interest bearing non-convertible unsecured promissory note to the New SPAC Sponsor, for a principal amount of up to \$1,960,000 (the “**October 2023 Note**”). SPAC may further draw down up to \$960,000 under the October 2023 Note to pay the Contributions, and up to \$519,400 for general corporate purposes. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. As of the date hereof, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note;
- the fact that our Sponsors have agreed to waive their rights to liquidating distributions from the Trust Account with respect to Founder Shares held by them if we fail to complete an initial business combination by the Extended Deadline;
- the fact that our Sponsors, officers, directors and their respective affiliates are entitled to reimbursement of reasonable out-of-pocket expenses incurred by them in connection with certain activities on our behalf, such as identifying and investing possible business targets and business combinations. However, if we fail to consummate a business combination within the required period, they will not have any claim against the Trust Account for reimbursement. Accordingly, we may not be able to reimburse these expenses if the Business Combination or another business combination is not consummated by the Extended Deadline;

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- the right of our Sponsors to hold the CayCo Ordinary Shares and CayCo Warrants following the Business Combination, subject to certain lock-up periods;
- in the event of the liquidation of the Trust Account upon the failure of the Company to consummate a business combination by the Extended Deadline, our Sponsors have agreed to indemnify us to ensure that the proceeds in the Trust Account are not reduced below \$10.20 per Public Share, or such lesser per-public share amount as is in the Trust Account on the liquidation date, by the claims of prospective target businesses with which we have entered into a written letter of intent, confidentiality or other similar agreement or claims of any third party (other than our independent public accountants) for services rendered or products sold to us, provided that such indemnification will not apply to any claims by a third party that executed a waiver of any and all rights to seek access to the Trust Account, nor will it apply to any claims under indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act;
- the Sponsors (including its representatives and affiliates) and SPAC’s officers and directors are, or in the future may become, affiliated with entities that are engaged in similar business to SPAC. For example, the New SPAC Sponsor is controlled by Mr. Richard Qi Li, who also served as a director and the chief executive officer of HH&L Acquisition Co., a NYSE-listed special purpose acquisition

company, and as chairman of the board of Chenghe Acquisition Co., a Nasdaq-listed special purpose acquisition company. Our chief executive officer and chief financial officer, Ms. Zhiyang Zhou, also served as chief financial officer of Chenghe Acquisition Co. Our chairman of the board, Dr. Shibin Wang, served as chief executive officer of Chenghe Acquisition Co. The Sponsors and our officers and directors are not prohibited from sponsoring, or otherwise becoming involved with, another blank check company prior to SPAC completing its initial business combination. SPAC's officers and directors may become aware of business opportunities which may be appropriate for presentation to SPAC, and the other entities to which they owe certain fiduciary or contractual duties. Accordingly, they may have had conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in SPAC's favor and such potential business opportunities may be presented to other entities prior to their presentation to SPAC, subject always to applicable fiduciary duties under Cayman Islands law. SPAC MAA provide that SPAC renounces its interest in any corporate opportunity offered to any officer or director of SPAC. This waiver allows SPAC's officers and directors to allocate opportunities based on a combination of the objectives and fundraising needs of the target, as well as the investment objectives of the entity. SPAC does not believe that the waiver of the corporate opportunities doctrine otherwise had a material impact on its search for an acquisition target;

- the fact that the Business Combination Agreement provides for the continued indemnification of some of our existing directors and officers and the continuation of our directors' and officers' liability insurance after the Business Combination; and
- the fact that we have entered into a registration rights agreement with our Sponsors, which provides for customary registration rights to them and their permitted transferees.

Q: When do you expect the Business Combination to be completed?

A: It is currently anticipated that the Business Combination will be consummated promptly following the Extraordinary General Meeting, which is set for [•], 2024; however, such meeting could be adjourned or postponed to a later date, as described above. The Closing is also subject to other customary closing conditions. Furthermore, the signing parties to the Business Combination Agreement will have the right to terminate the Business Combination Agreement if the Business Combination is not consummated by the Agreement End Date, subject to certain conditions and exceptions.

Q: What do I need to do now?

A: We urge you to carefully read and consider the information contained in this Registration Statement/Proxy Statement, including the annexes, and to consider how the Business Combination will affect you as a shareholder. Shareholders should then vote as soon as possible in accordance with the instructions provided in this Registration Statement/Proxy Statement and on the enclosed proxy card.

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Q: When and where will the Extraordinary General Meeting take place?

A: The Extraordinary General Meeting will be held at [•] a.m. Eastern Time, on [•], 2024 at [•] and virtually over the Internet by means of a live webcast. You may also attend the Extraordinary General Meeting webcast by accessing the web portal located at [•] and following the instructions set forth below. In order to maintain the interactive nature of the Extraordinary General Meeting, virtual attendees who have registered for the meeting and entered a valid control number will be able to:

- vote via the web portal during the Extraordinary General Meeting webcast; and
- submit questions or comments to our directors and officers during the Extraordinary General Meeting.

Shareholders who have registered for the meeting and entered a valid control number may submit questions or comments during the meeting through the Extraordinary General Meeting webcast by typing in the "Submit a question" box.

To register for and attend the Extraordinary General Meeting virtually, please follow these instructions as applicable to the nature of your ownership of ordinary shares:

- *Shares Held of Record.* If you are a record holder, and you wish to attend the Extraordinary General Meeting virtually, go to [•], enter the control number you received on your proxy card or notice of the meeting and click on the "Click here to register for the online meeting" link at the top of the page. Immediately prior to the start of the Extraordinary General Meeting, you will need to log back into the meeting site using your control number.

- **Shares Held in Street Name.** If you hold your ordinary shares in “street name,” which means your shares are held of record by a broker, bank or nominee, you must instruct your broker or bank on how to vote the shares you beneficially own or, if you wish to attend the Extraordinary General Meeting, you must obtain a legal proxy from the shareholder of record and email a copy (a legible photograph is sufficient) of your proxy to proxy@continentalstock.com no later than 72 hours prior to the Extraordinary General Meeting. Holders should contact their bank, broker or other nominee for instructions regarding obtaining a legal proxy. Holders who email a valid legal proxy will be issued a meeting control number that will allow them to register to attend and participate in the Extraordinary General Meeting virtually. You will receive an email prior to the meeting with a link and instructions for entering the Extraordinary General Meeting. “Street” name holders should contact Continental Stock Transfer & Trust Company on or before [•], 20[•].
- Shareholders will also have the option to listen to the Extraordinary General Meeting by telephone by calling:
 - Within the U.S. and Canada: +1 [•] (toll-free)
 - Outside of the U.S. and Canada: +1 [•] (standard rates apply)
- The conference ID is [•]. This is listen-only; you will not be able to vote or enter questions during the Extraordinary General Meeting.

Q: How do I vote?

A: If you are a holder of record of Public Shares at the close of business on the Record Date, you may vote by attending the Extraordinary General Meeting in person, including virtually by submitting a ballot through the web portal during the Extraordinary General Meeting webcast, or by submitting a proxy for the Extraordinary General Meeting. You may submit your proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying preaddressed postage paid envelope so that it is received no later than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (or, in the case of an adjournment, no later than 48 hours before the time appointed for the holding of the adjourned meeting). If you hold your shares in “street name,” you should contact your broker, bank or nominee to ensure that votes related to the shares you beneficially own are properly voted and counted. In this regard, you must provide the broker, bank or nominee with instructions on how to vote your shares or, if you wish to attend the virtual meeting and vote through the web portal, obtain a legal proxy from your broker, bank or nominee.

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Q: If my shares are held in “street name,” will my broker, bank or nominee automatically vote my shares for me?

A: Your broker, bank or nominee can vote your shares without receiving your instructions on “routine” proposals only. Your broker, bank or nominee cannot vote your shares with respect to “non-routine” proposals, unless you provide instructions on how to vote in accordance with the information and procedures provided to you by your broker, bank or nominee.

The Business Combination Proposal, the Merger Proposal, the Authorized Share Capital Amendment Proposal, the Articles Amendment Proposals and the Adjournment Proposal are non-routine proposals. Accordingly, your broker, bank or nominee may not vote your shares with respect to these proposals, unless you provide voting instructions.

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. Shareholders of record may send a later-dated, signed proxy card to our transfer agent at the address set forth below so that it is received no later than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (or, in the case of an adjournment, no later than 48 hours before the time appointed for the holding of the adjourned meeting) or attend the Extraordinary General Meeting and vote in person, including virtually by submitting a ballot through the web portal during the Extraordinary General Meeting webcast. Shareholders of record also may revoke their proxy by sending a notice of revocation to our transfer agent, which must be received prior to the vote at the Extraordinary General Meeting. If you hold your shares in “street name,” you should contact your broker, bank or nominee to change your instructions on how to vote. If you hold your shares in “street name” and wish to virtually attend the Extraordinary General Meeting and vote through the web portal, you must obtain a legal proxy from your broker, bank or nominee.

Q: What constitutes a quorum for the Extraordinary General Meeting?

A: A quorum is the minimum number of our ordinary shares that must be present to hold a valid meeting. The holders of majority of the SPAC Ordinary Shares being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorized representative or proxy shall be a quorum. Abstentions will count as present for the purposes of establishing a quorum. Broker non-votes will not count as present for the purposes of establishing a quorum. SPAC Class A Ordinary Shares and SPAC Class B Ordinary Shares are entitled to vote together as a single class on all matters to be considered at the Extraordinary General Meeting. Voting on all resolutions at the Extraordinary General Meeting will be conducted by way of a poll vote. Shareholders will have one vote for each ordinary share owned at the close of business on the Record Date.

Q: What shareholder vote thresholds are required for the approval of each proposal brought before the Extraordinary General Meeting?

A: Under Cayman Islands law and pursuant to Chenghe Articles, each of the Merger Proposal and the Articles Amendment Proposals will require a special resolution, being the affirmative vote of shareholders holding at least two-thirds of the ordinary shares which are voted on such resolution in person or by proxy at the Extraordinary General Meeting at which a quorum is present. Each of the Business Combination Proposal, the Authorized Share Capital Amendment Proposal and the Adjournment Proposal will require an ordinary resolution, being the affirmative vote of shareholders holding a majority of the ordinary shares which are voted on such resolution in person or by proxy at the Extraordinary General Meeting at which a quorum is present.

On October 25, 2023, we held the Second Extension Meeting, in connection with which, shareholders holding 1,658,610 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. Thereafter, 3,941,873 SPAC Class A Ordinary Shares were issued and outstanding.

Therefore, in addition to the Founder Shares and Converted SPAC Public Shares held by the Sponsors (and their respective affiliates), assuming all issued and outstanding shares are voted on each proposal, we would need 1,544,582 Public Shares, or approximately 39.2% of the 3,941,873 Public Shares held by SPAC Public Shareholders (without taking into account the Converted SPAC Public Shares held by New SPAC Sponsor) to be voted in favor of each of the Merger Proposal and the Articles Amendment Proposals, and we would need

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345,937 Public Shares, or approximately 8.8% of the 3,941,873 Public Shares held by SPAC Public Shareholders to be voted in favor of each of the Business Combination Proposal, the Authorized Share Capital Amendment Proposal and the Adjournment Proposal.

Brokers are not entitled to vote on the aforementioned proposals absent voting instructions from the beneficial holder. Abstentions are considered present for the purposes of establishing a quorum but, as a matter of Cayman Islands law, will not constitute a vote cast at the Extraordinary General Meeting and therefore will have no effect on the approval of each of the SPAC Shareholder Proposals as a matter of Cayman Islands law. Broker non-votes do not count as votes cast.

Q: What happens if I fail to take any action with respect to the Extraordinary General Meeting?

A: If you fail to take any action with respect to the Extraordinary General Meeting and the Business Combination is approved by our shareholders and consummated, you will become a shareholder of the Post-Closing Company.

If you fail to take any action with respect to the Extraordinary General Meeting and the Business Combination is not approved, you will continue to be a shareholder of Chenghe, and we will continue to search for another target business with which to complete an initial business combination. If we do not complete an initial business combination by the Extended Deadline, we must cease all operations except for the purpose of winding up, redeem 100% of the issued and outstanding Public Shares, at a per-share price, payable in cash, equal to an amount then held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), and as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and the board of directors, liquidate and dissolve.

Q: What should I do with my share certificates?

A: Public Shareholders who do not elect to have their shares redeemed for a pro rata share of the Trust Account should wait for instructions from our transfer agent regarding what to do with their certificates. Public Shareholders who exercise their redemption rights must deliver their share certificates (if any) and other redemption forms to our transfer agent or deliver their Public Shares electronically to our transfer agent

using The Depository Trust Company's DWAC System no later than two (2) Business Days prior to the Extraordinary General Meeting as described above. If you hold your shares in "street name" through a bank, broker or other nominee, you will need to follow the instructions provided to you by your bank, broker or other nominee to ensure that your Public Shares are properly tendered for redemption.

Q: What should I do if I receive more than one set of voting materials?

A: Shareholders may receive more than one set of voting materials, including multiple copies of this Registration Statement/Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive in order to cast a vote with respect to all of your shares.

Q: Who will solicit and pay the cost of soliciting proxies for the Extraordinary General Meeting?

A: We will pay the cost of soliciting proxies for the Extraordinary General Meeting. We have engaged [•] to assist in the solicitation of proxies for the Extraordinary General Meeting. We have agreed to pay [•] \$[•], plus disbursements, to reimburse the firm for its reasonable and documented costs and expenses and to indemnify the firm and its affiliates against certain claims, liabilities, losses, damages and expenses. We will also reimburse banks, brokers and other custodians, nominees and fiduciaries representing beneficial owners of Public Shares for their expenses in forwarding soliciting materials to beneficial owners of Public Shares and in obtaining voting instructions from those owners. Our directors and officers may also solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

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Q: Who can help answer my questions?

A: If you have questions about the Business Combination or if you need additional copies of this Registration Statement/Proxy Statement or the enclosed proxy card, you should contact the proxy solicitor at:

[•]

You may also obtain additional information about the Company from documents filed with the SEC by following the instructions in the section titled "*Where You Can Find More Information.*" If you are a Public Shareholder and you intend to seek redemption of your shares, you will need to deliver your share certificates (if any) and other redemption documents (either physically or electronically) to our transfer agent at the address below or deliver your shares electronically to the transfer agent using The Depository Trust Company's DWAC System at least two (2) Business Days prior to the vote at the Extraordinary General Meeting. If you have questions regarding the certification of your position or delivery of your share certificates and redemption forms, please contact:

Continental Stock Transfer & Trust Company
1 State Street — 30th Floor
New York New York 10004
Attn: SPAC Redemption Team
Email: spacredemptions@continentalstock.com

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DELIVERY OF DOCUMENTS TO CHENGHE SHAREHOLDERS

Pursuant to the rules of the SEC, Chenghe and vendors that it employs to deliver communications to its shareholders are permitted to deliver to two or more shareholders sharing the same address a single copy of this Registration Statement/Proxy Statement, unless Chenghe has received contrary instructions from one or more of such shareholders. Upon written or oral request, Chenghe will deliver a separate copy of this Registration Statement/Proxy Statement to any shareholder at a shared address to which a single copy of this Registration Statement/Proxy Statement was delivered and who wishes to receive separate copies in the future. Shareholders receiving multiple copies of the proxy statement may likewise request that Chenghe deliver single copies of this Registration Statement/Proxy Statement in the future.

If the shares are registered in the name of the shareholder, the shareholder should contact us at our offices at

If a bank, broker or other nominee holds the shares, the shareholder should contact the bank, broker or other nominee directly.

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SUMMARY OF REGISTRATION STATEMENT/PROXY STATEMENT

This summary highlights selected information contained in this Registration Statement/Proxy Statement and does not contain all of the information that is important to you. You should carefully read this entire Registration Statement/Proxy Statement, including the annexes and accompanying financial statements of SPAC and the Company, to fully understand the proposed Business Combination and the SPAC Shareholder Proposals to be considered at the SPAC Shareholders' Meeting (each as described below). Please see the section entitled "Where You Can Find More Information" elsewhere in this Registration Statement/Proxy Statement.

Parties to the Business Combination

SPAC

SPAC is a blank check company incorporated on May 20, 2021 as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination involving SPAC and one or more target businesses. For more information about SPAC, see the section entitled "*Business of SPAC and Certain Information About SPAC.*"

On June 2, 2021, the Old SPAC Sponsor paid \$25,000, or approximately \$0.007 per share, to cover certain offering expenses of SPAC in consideration for 3,737,500 SPAC Class B Ordinary Shares. Up to 487,500 Founder Shares were subject to forfeiture by the Old SPAC Sponsor depending on the extent to which the underwriters' over-allotment option is exercised. In March 2022, the Old SPAC Sponsor effected a surrender of the 487,500 Founder Shares to the SPAC for no consideration upon expiration of the over-allotment option.

On January 27, 2022, SPAC consummated the SPAC IPO of 13,000,000 SPAC Units. Each SPAC Unit consists of one SPAC Class A Ordinary Share, and one-half of one redeemable SPAC Public Warrant, with each SPAC Public Warrant entitling the holder thereof to purchase one SPAC Class A Ordinary Share for \$11.50 per share, subject to adjustment. The SPAC Units were sold at a price of \$10.00 per unit, generating gross proceeds of \$130,000,000. Concurrently with the closing of the SPAC IPO, the Old SPAC Sponsor purchased an aggregate of 7,900,000 SPAC Private Placement Warrants at a price of \$1.00 per warrant, generating gross proceeds of \$7,900,000. On October 6, 2023, upon the closing of the Sponsor Sale, the Old SPAC Sponsor transferred 2,650,000 Founder Shares to the New SPAC Sponsor. On November 8, 2023, the New SPAC Sponsor notified the SPAC that it elected to convert 1,058,127 SPAC Class B Ordinary Shares, pursuant to the Founder Share Amendment Proposal. On November 16, 2023, 1,058,127 SPAC Class B Ordinary Shares held by the New SPAC Sponsor were converted into the same number of Converted SPAC Public Shares. As of the date hereof, the Old SPAC Sponsor holds 600,000 SPAC Class B Ordinary Shares and the New SPAC Sponsor holds 1,591,873 SPAC Class B Ordinary Shares and 1,058,127 Converted SPAC Public Shares. On October 6, 2023, upon the closing of the Sponsor Sale, the Old SPAC Sponsor transferred 7,900,000 SPAC Private Placement Warrants it held to the New SPAC Sponsor.

Following the closing of the SPAC IPO, a total of \$132,600,000 (\$10.20 per SPAC Unit) of net proceeds of the SPAC IPO and certain of the proceeds of the private placement of warrants was placed in the Trust Account. The Trust Account is located in the United States with SPAC Transfer Agent acting as trustee, and may only be invested in U.S. government securities, within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 (as amended, the "**Investment Company Act**"), having a maturity of 185 days or less or in the money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. On November 6, 2023, pursuant to the Second Trust Amendment Proposal, SPAC instructed Continental Stock Transfer & Trust Company to hold all funds in the Trust Account in an interest-bearing bank deposit account.

On September 8, 2023 and September 19, 2023, BofA Securities, Inc., and Banco BTG Pactual S.A. — Cayman Branch respectively notified SPAC that they would not act in any capacity in connection with the Business Combination and waived their entitlement to the deferred underwriting commission solely with respect to the Business Combination under and pursuant to the SPAC IPO Underwriting Agreement, dated January 24, 2022, by and among SPAC and BofA Securities, Inc. and Banco BTG Pactual S.A. — Cayman

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On April 13, 2023, SPAC held the First Extension Meeting, at which SPAC Shareholders approved the First Extension Amendment Proposal, the First Trust Amendment Proposal, the SPAC Class B Ordinary Share Amendment Proposal and the Redemption Limitation Amendment Proposal. In connection with the First Extension Amendment Proposal, shareholders holding 7,399,517 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$77.5 million (approximately \$10.47 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$58.6 million remained in the Trust Account.

On October 25, 2023, SPAC held the Second Extension Meeting, at which SPAC Shareholders approved the Second Extension Amendment Proposal, the Second Trust Amendment Proposal, and the 2023 Name Change Proposal. In connection with the Second Extension Amendment Proposal, shareholders holding 1,658,610 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$18.1 million (approximately \$10.94 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$43.0 million remained in the Trust Account.

SPAC Units and SPAC Class A Ordinary Shares are traded on Nasdaq under the ticker symbol “LATGU” and “LATG” respectively. On September 8, 2023, Nasdaq delisted the SPAC Public Warrants due to SPAC’s failure to maintain a minimum of \$1,000,000 in aggregate market value of its outstanding SPAC Public Warrants, as set forth in Nasdaq’s Listing Rule 5452(b)(C). Chenghe has not made any application to list the SPAC Public Warrants on the OTC markets, and Chenghe is not aware of any plan of CayCo to apply to list CayCo Warrant on any stock exchange after the Closing. For more information, please see “*Risk Factors — SPAC Public Warrants have been delisted from Nasdaq.*” In connection with the Closing, SPAC Units and SPAC Class A Ordinary Shares will be delisted from Nasdaq.

The mailing address of SPAC’s principal executive offices is 38 Beach Road #29-11, South Beach Tower Singapore 189767. Its telephone number is +65 9851 8611. Its corporate website address is <https://chengheinv.com/chenghe-acquisition-co/overview/>. SPAC’s website and the information contained on, or that can be accessed through, the website is not deemed to be incorporated by reference in, and is not considered part of this Registration Statement/Proxy Statement.

FST

Femco Steel Technology Co., Ltd. has emerged as a pioneer in the golf industry, crafting high-performance golf club shafts for over three decades. Established in Taiwan in 1976, FST began specializing in golf club shafts in 1992, meticulously refining its craft to serve golfers worldwide. For additional information regarding FST, see the section of this proxy statement/prospectus entitled “*Business of FST and Certain Information About FST.*”

The mailing address of FST’s principal executive office is No. 3, Gongye 1st Rd., Minxiong Township, Chiayi County 621018, Taiwan, and its telephone number is +886 5221-2555.

CayCo

CayCo is an exempted company incorporated with limited liability under the laws of the Cayman Islands incorporated on November 24, 2023 solely for the purpose of effecting the Business Combination. CayCo does not own any material assets and does not operate any business. The address and telephone number for CayCo is the same as those for FST.

Merger Sub

Merger Sub is an exempted company incorporated with limited liability under the laws of the Cayman Islands and a wholly-owned subsidiary of CayCo incorporated on November 27, 2023 solely for the purpose of effecting the Business Combination. Merger Sub owns no material assets and does not operate any business and has not carried on any activities other than those in connection with the transactions contemplated under the Business Combination Agreement. The address and telephone number for Merger Sub is the same as those for FST. Following the consummation of the Merger, Merger Sub will have merged with and into SPAC, with SPAC as the surviving company.

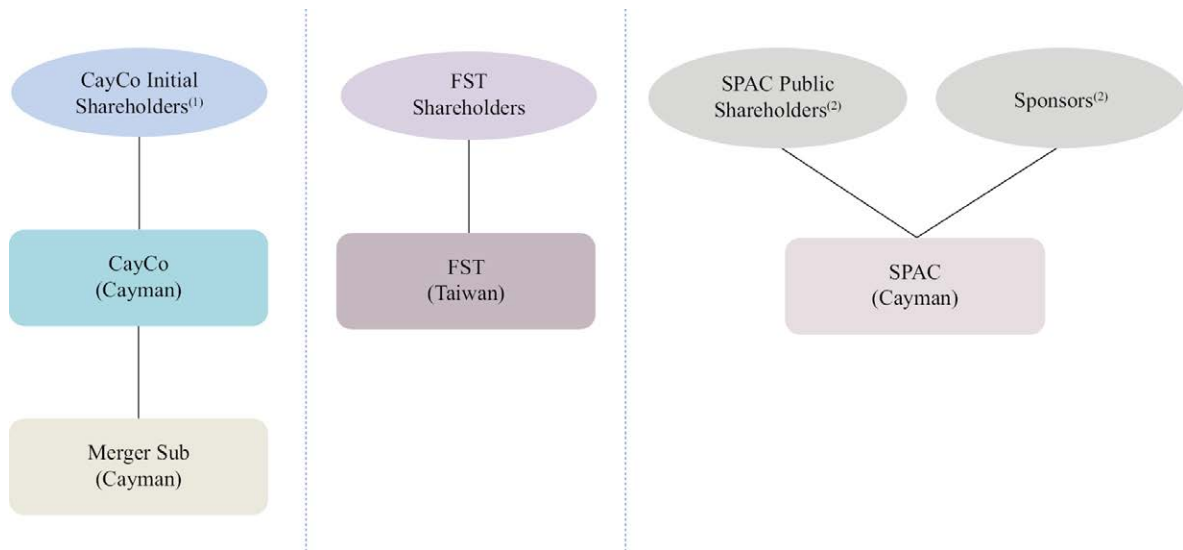
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The Business Combination

On December 22, 2023, SPAC, CayCo, FST and Merger Sub entered into the Business Combination Agreement, pursuant to which, among other things and subject to the terms and conditions contained in the Business Combination Agreement, Merger Sub will merge with and into SPAC with SPAC being the surviving company and as a direct, wholly owned subsidiary of CayCo, and SPAC will change its name to “FST Ltd.” The Merger will become effective at the time when the Plan of Merger executed by SPAC and Merger Sub is registered by the Cayman Islands Registrar of Companies or such later time as SPAC and FST may agree in writing. For more information, see the section entitled “*The Business Combination Agreement and the Ancillary Documents.*”

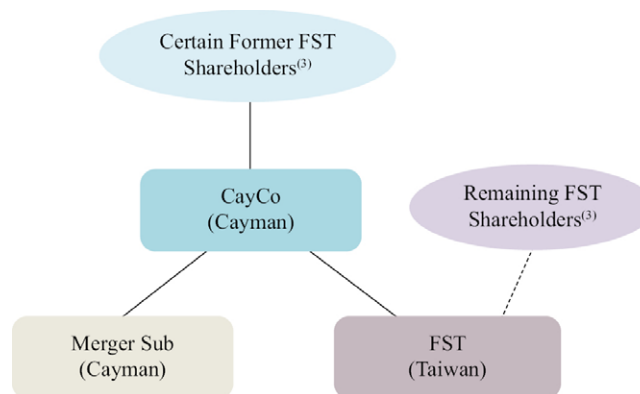
Simplified Corporate Structures

The following diagram depicts the corporate structures of CayCo, FST and SPAC prior to the consummation of FST Restructuring:

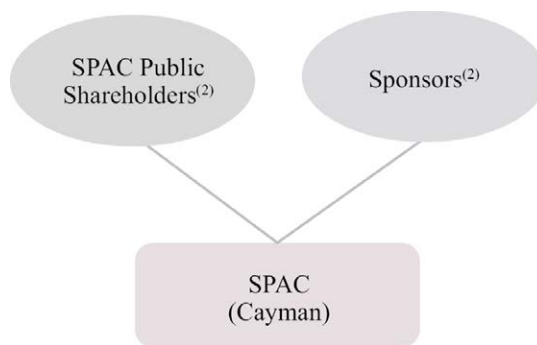


The following diagrams depict corporate structures of CayCo, FST and SPAC following the FST Restructuring and before the Closing of the Business Combination:

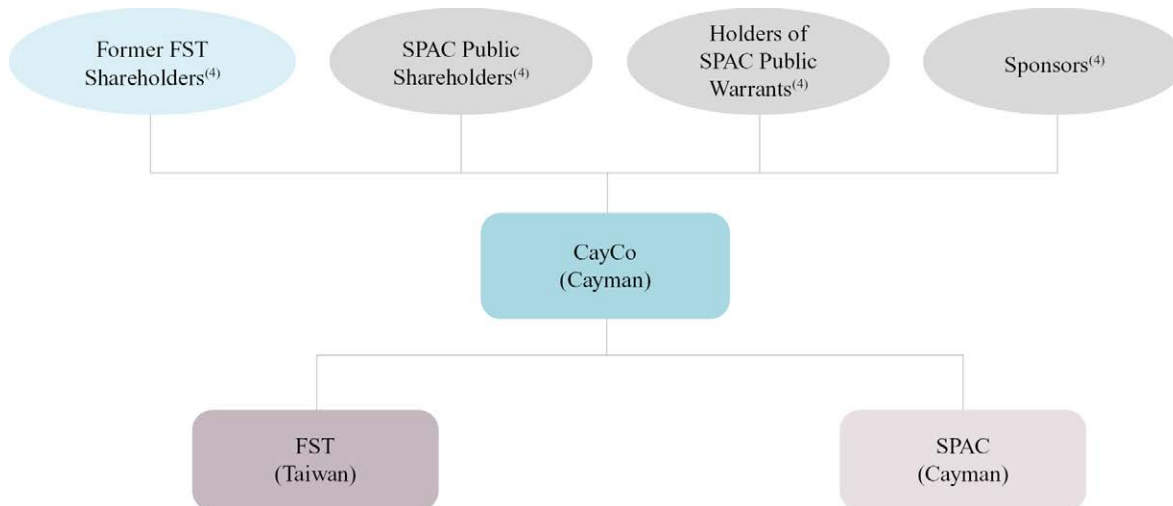
CayCo and FST:


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SPAC:



The following diagram depicts corporate structure of CayCo post-Closing of the Business Combination:



Note:

- (1) At the FST Restructuring Closing and immediately following the issuance of one or more CayCo Ordinary Shares to the relevant Company Shareholders (other than the Remaining Company Shareholders), each Initial CayCo Shareholder will surrender all of its CayCo Ordinary Shares and any other shares of CayCo that were issued and outstanding immediately prior to the Merger Effective Time for no consideration to CayCo and all such shares of CayCo will be cancelled.
- (2) As of the date of this Registration Statement/Proxy Statement, there are 7,191,873 SPAC Ordinary Shares issued and outstanding, consisting of (i) 5,000,000 SPAC Class A Ordinary Shares, held by SPAC Public Shareholders, (ii) 600,000 SPAC Class B Ordinary Shares, held by the Old SPAC Sponsor and (iii) 1,591,873 SPAC Class B Ordinary Shares, held by the New SPAC Sponsor.
- (3) Pursuant to the Business Combination Agreement, prior to the Closing, CayCo shall acquire at least 90% of the Aggregate Fully Diluted Company Shares. At the FST Restructuring Closing, CayCo shall issue and allot to each Company Shareholder who participated in the FST Restructuring, in respect of each Company Share owned by such person, a number of CayCo Ordinary Shares that is no more than the Subscription Factor and the aggregate number of such shares shall be equal to the product of (x) the total number of Company Shares owned by the Company Shareholders who have signed the Company Restructuring Documents and (y) the Subscription Factor. As soon as practicable and to the extent feasible under applicable law after the Closing, the Company will use reasonable best efforts to Squeeze Out the Remaining Company Shareholders. At the consummation of such Squeeze-Out transaction, CayCo will be the sole shareholder of FST.
- (4) Assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring (or the completion of the Squeeze Out transaction) and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 64.94% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.10% of the Post-Closing

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Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 6.40% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of SPAC Public Warrants will hold approximately 10.55% of the Post-Closing Company's total issued and outstanding share capital.

Assuming intermediate redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring (or the completion of the Squeeze Out transaction) and the

exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 67.09% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.70% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 3.31% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of SPAC Public Warrants will hold approximately 10.90% of the Post-Closing Company's total issued and outstanding share capital.

Assuming maximum redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring (or the completion of the Squeeze Out transaction) and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 68.43% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 19.05% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 1.51% of the Post-Closing Company's total issued and outstanding share capital and (iv) the holders of SPAC Public Warrants will hold approximately 11.10% of the Post-Closing Company's total issued and outstanding share capital.

Conditions to Closing of the Business Combination

Conditions to the Obligations of SPAC and the FST Parties

Under the Business Combination Agreement, the obligations of SPAC and the FST Parties to consummate the Transactions are subject to satisfaction or, at or prior to the Merger Effective Time, waiver in writing by all such parties of the following conditions:

- (a) the SPAC Shareholder Approval will have been obtained;
- (b) the Company Shareholder Approval will have been obtained;
- (c) there will not be in force any governmental order, statute, rule or regulation enjoining or prohibiting the consummation of the Merger; provided, that the Governmental Authority issuing such governmental order has jurisdiction over the parties hereto with respect to the Transactions or the FST Restructuring;
- (d) SPAC will have at least U.S.\$5,000,001 of net tangible assets (as determined in accordance with Rule 3a51-1(g)(1) of the Exchange Act);
- (e) CayCo Ordinary Shares to be issued in connection with the Merger and the FST Restructuring will have been approved for listing on the applicable Stock Exchange and such approval will be ongoing, and not revoked or withdrawn, as of the Closing Date; and
- (f) the registration statement on Form F-4 will have become effective under the Securities Act and no stop order suspending the effectiveness of the registration statement will have been issued and no proceedings for that purpose will have been initiated or threatened by the SEC and not withdrawn.

Other Conditions to the Obligations of SPAC

The obligations of SPAC to consummate, or cause to be consummated, the Transactions are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by SPAC:

- (a) (i) certain fundamental representations and warranties of the FST Parties will be true and correct in all material respects, in each case as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct in all respects at and as of such date, except for changes after the date of the Business Combination Agreement which are contemplated or expressly permitted by the Business Combination Agreement or

the Ancillary Documents, (ii) the representation and warranty of FST contained in the second sentence of Section 5.24 of the Business Combination Agreement will be true and correct as of the Closing Date in all respects, and (iii) each of the other representations and warranties of the FST

Parties contained in the Business Combination Agreement (disregarding any qualifications and exceptions contained therein relating to materiality, material adverse effect and Company Material Adverse Effect or any similar qualification or exception) shall be true and correct in all material respects as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties will be true and correct in all material respects at and as of such date, except for, in each case, inaccuracies or omissions that would not, individually or in the aggregate, reasonably be expected to be material to the Group, taken as a whole;

- (b) each of the covenants of the FST Parties to be performed as of or prior to the Closing will have been performed in all material respects;
- (c) the Company Acquisition Percentage will be at least 90%;
- (d) the FST Restructuring will have been consummated;
- (e) there will not have occurred a Company Material Adverse Effect after the date of the Business Combination Agreement;
- (f) FST will have delivered or caused to be delivered an opinion issued by its Taiwan counsel to SPAC to the effect that no pending approval is required by any Taiwan Governmental Authorities for the Merger and the FST Restructuring, issuance of the equity securities in connection with the Merger and the FST Restructuring, and CayCo's listing on the applicable Stock Exchange, including but not limited to the Taiwan DIR Approval;
- (g) the Taiwan DIR Approval will have been obtained and be effective;
- (h) all Third Party Consents will have been obtained, if any; and
- (i) the CayCo Cap Table and Closing Calculation will have been prepared in accordance with the Business Combination Agreement and accurately reflected the equity shareholding of SPAC Shareholders and the FST Shareholders as at the Closing.

Conditions to the Obligations of the FST Parties

The obligations of the FST Parties to consummate, or cause to be consummated, the Transactions are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by FST:

- (a) (i) the representations and warranties of SPAC in relation to its capitalization will be true and correct in all but de minimis respects as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties will be true and correct in all but de minimis respects at and as of such date, except for changes after the date of the Business Combination Agreement which are contemplated or expressly permitted by the Business Combination Agreement, and (ii) each of the other representations and warranties of SPAC contained in the Business Combination Agreement (disregarding any qualifications and exceptions contained therein relating to materiality, material adverse effect or any similar qualification or exception) will be true and correct as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties will be true and correct in all material respects at and as of such date, in each case, inaccuracies or omissions that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on SPAC's ability to consummate the Transactions; and
- (b) each of the covenants of SPAC to be performed as of or prior to the Closing will have been performed in all material respects.

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Termination

The Business Combination Agreement may be terminated and the Transactions may be abandoned at any time prior to the Closing:

- (a) by mutual written consent of both FST and SPAC at any time;

- (b) by FST or SPAC, if the Closing shall not have occurred by 5:00 p.m. (Hong Kong time) on October 26, 2024; provided, that neither FST nor SPAC may terminate the Business Combination Agreement if it is in material breach of any of its obligations set forth in the Business Combination Agreement and such material breach causes, or results in, either (i) the failure to satisfy the conditions to the obligations of the terminating party to consummate the Closing prior to the Agreement End Date, or (ii) the failure of the Closing to have occurred prior to the Agreement End Date;
- (c) by FST or SPAC, if any Governmental Authority (except for the Taiwan DIR Approval) shall have enacted, issued, promulgated, enforced or entered any governmental order, which has become final and non-appealable and has the effect of making consummation of the Merger or the FST Restructuring illegal or otherwise preventing or prohibiting consummation of the Merger or the FST Restructuring;
- (d) by FST, if the SPAC Shareholder Approval shall not have been obtained by reason of the failure to obtain the required vote at the Extraordinary General Meeting duly convened therefor and at any adjournment or postponement thereof, as applicable;
- (e) by FST, if SPAC is in material breach of any of its obligations under the Business Combination Agreement and such material breach will result in the failure to satisfy the conditions to the obligations of the FST Parties to consummate the Closing, provided that if such material breaches are curable by SPAC, then, for a period of up to thirty (30) calendar days after receipt by SPAC of notice from FST of such material breaches, but only as long as SPAC continues to use its reasonable best efforts to cure such material breaches, such termination by FST shall be effective by the end of such thirty (30) calendar days;
- (f) by SPAC, if the Company Acquisition Percentage shall not have reached 90% at the FST Restructuring Closing;
- (g) by SPAC, if (i) the FST Parties fail to receive the Phase I DIR Approval within one hundred thirty two (132) calendar days after the date of the Business Combination Agreement; or (ii) the FST Parties fail to receive the Phase II DIR Approval within two hundred and ten (210) calendar days after the date of the Business Combination Agreement; or (iii) such Taiwan DIR Approval is revoked, terminated or loses effect, provided that in each case of (i) and (ii), if FST provides a written confirmation prior to the relevant deadline (or if later, the date on which SPAC notifies FST it wants to terminate under this subsection) to SPAC, with reasonable evidence demonstrating that failure to obtain Phase I DIR Approval or Phase II DIR Approval (as applicable) was due to curable defects, then, for sixty (60) calendar days from the delivery of such confirmation, any termination notice from SPAC under this subsection shall not be effective, as long as the FST Parties use their respective best efforts in such period to cure all such defects and seek the Taiwan DIR Approval, and if by the end of the period the Taiwan DIR Approval has not been obtained, any termination notice by SPAC under this subsection can be immediately effective;
- (h) by SPAC, if FST has suffered or there is a Company Material Adverse Effect;
- (i) by SPAC, if the FST Parties are in material breach of any of their respective obligations set forth in the Business Combination Agreement and such material breach will result in the failure to satisfy the conditions to the obligations of SPAC to consummate the Closing, provided that if such material breaches are curable by the FST Parties, then, for a period of up to thirty (30) calendar days after receipt by FST of notice from SPAC of such material breaches, but only as long as the FST Parties continue to use their respective reasonable best efforts to cure such material breaches, such termination by SPAC shall be effective by the end of such thirty (30) calendar days; and
- (j) by SPAC, if the Company Shareholder Approval shall not have been obtained within forty-five (45) Business Days after the date of the Business Combination Agreement and at any adjournment or postponement thereof, as applicable.

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Effect of Termination

If the Business Combination Agreement is terminated, the Business Combination Agreement will become void, and there will be no liability under the Business Combination Agreement on the part of any party thereto or their affiliates, except as set forth in the Business Combination Agreement. The Business Combination Agreement provides that no such termination shall relieve any liability on the part of any party for a willful

breach of the Business Combination Agreement, willful misconduct or fraud.

Agreements Entered into in Connection with the Business Combination

The Business Combination Agreement contemplates the execution of various additional agreements and instruments on or before the Closing, including, among others, the Sponsor Support Agreement, the Company Shareholder Support Agreement, the Lock-Up Agreement and the Investor Rights Agreement. The following description of the agreements does not purport to be complete and is qualified in its entirety by the terms and conditions of each agreement, a copy of which is attached hereto as annex and is incorporated herein by reference. See the section entitled “*The Business Combination Agreement and Ancillary Documents*” for more information.

Sponsor Support Agreement

Concurrently with the execution of the Business Combination Agreement, SPAC, the Sponsors and FST entered into the Sponsor Support Agreement, pursuant to which the Sponsors have agreed to, among other things, vote in favor of the transactions contemplated under the Business Combination Agreement, including the Business Combination, from the date when FST received the Taiwan DIR Approval until the Closing Date or, if earlier, until termination of the Business Combination Agreement.

Company Shareholder Support Agreement

Concurrently with the execution of the Business Combination Agreement, SPAC, FST, CayCo, certain FST Shareholders and certain CayCo Shareholders entered into the Company Shareholder Support Agreement, pursuant to which each such FST Shareholder and CayCo Shareholder that has signed thereof has agreed to, among other things, vote to the transactions contemplated under the Business Combination Agreement, including the FST Restructuring and the Merger, and to not transfer any Subject Shares (as defined in the Company Shareholder Support Agreement) until termination of the Company Shareholder Support Agreement.

Lock-Up Agreement

At the Closing, CayCo, the New SPAC Sponsor, certain FST Shareholders and certain Sponsor Key Holders will enter into the Lock-Up Agreement, pursuant to which, the New SPAC Sponsor, and each such FST Shareholder and Sponsor Key Holder agrees to not to transfer any Lock-Up Shares (as defined in the Lock-Up Agreement) for a period of six (6) months after the Closing Date, with certain exceptions and carveouts.

Investor Rights Agreement

At the Closing, CayCo, FST, SPAC and other parties listed thereto will enter into the Investor Rights Agreement, pursuant to which, among other things, (i) CayCo will agree to undertake certain resale shelf registration obligations in accordance with the Securities Act and certain holders have been granted customary demand and piggyback registration rights, and (ii) each party to the Investor Rights Agreement agrees to cause (x) the board of CayCo to be comprised of five (5) directors (subject to increase by unanimous resolutions of the board from time to time), (y) one (1) of such directors should be nominated by the New SPAC Sponsor and (z) at least three (3) of whom shall be independent directors. As long as the Sponsor Parties (as defined in the Investor Rights Agreement) beneficially own any CayCo Ordinary Shares, CayCo shall take all necessary actions to cause the individuals nominated by the New SPAC Sponsor for election as directors to be elected as directors.

Ownership of CayCo Post-Closing

Upon consummation of the Business Combination, Company Shareholders and SPAC Shareholders will become CayCo Shareholders.

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As of the date of this Registration Statement/Proxy Statement, none of CayCo, FST and SPAC has entered into any agreement with any investor in relation to any PIPE Investment.

Assuming the consummation of the Business Combination, the Company Acquisition Percentage reaching 100% at the consummation of the FST Restructuring and the exercise of all issued and outstanding SPAC Warrants, on a fully diluted basis, the following tables illustrate the varying ownership levels of CayCo Ordinary Shares after the Business Combination under three scenarios: (i) no redemptions by SPAC

Shareholders, (ii) 50% of SPAC Class A Ordinary Shares have been redeemed, (iii) maximum number of SPAC Class A Ordinary Shares has been redeemed so that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes.

	Assuming No Redemptions		Assuming Intermediate (50%) Redemptions ⁽¹⁾		Assuming Maximum (77.5%) Redemptions ⁽²⁾	
	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %
FST Shareholders	40,000,000	64.94%	40,000,000	67.09%	40,000,000	68.34%
Public Shareholders	3,941,873	6.40%	1,970,936	3.31%	885,843	1.51%
Converted SPAC Public Shares held by New SPAC Sponsor ⁽³⁾	1,058,127	1.72%	1,058,127	1.77%	1,058,127	1.81%
Holders of Founder Shares ⁽⁴⁾	2,191,873	3.56%	2,191,873	3.68%	2,191,873	3.74%
Holders of SPAC Public Warrants ⁽⁵⁾	6,500,000	10.55%	6,500,000	10.90%	6,500,000	11.10%
Holders of SPAC Private Warrants ⁽⁴⁾⁽⁶⁾	7,900,000	12.83%	7,900,000	13.25%	7,900,000	13.50%
Pro forma ordinary shares of the Post-Closing Company	61,591,873	100%	59,620,936	100%	58,535,843	100%

- (1) Assumes that 1,970,937 Public Shares are redeemed for aggregate redemption payments of approximately \$21.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023.
- (2) Assumes that 3,056,030 Public Shares are redeemed for aggregate redemption payments of approximately \$33.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement. Assuming a \$11.06 per share redemption price, the number of Public Shares remaining outstanding following the redemption must be at least 885,843 shares for SPAC to fulfill all of the abovementioned assumptions.
- (3) On November 8, 2023, the New SPAC Sponsor notified Chenghe that it elected to convert 1,058,127 Founder Shares to the same number of SPAC Public Shares. On November 16, 2023, 1,058,127 Founder Shares were converted into the same number of Converted SPAC Public Shares. The Converted SPAC Public Shares are identical to the SPAC Public Shares, except that (i) they are entitled to registration rights, (ii) they are subject to the transfer restrictions as set forth in the SPAC IPO Letter Agreement, (iii) pursuant to the SPAC IPO Letter Agreement, the Sponsors agreed to waive their redemption rights with respect to the Converted SPAC Public Shares in connection with (A) the SPAC's initial business combination, (B) a shareholder vote to approve an amendment to the SPAC's constitutional documents to (x) modify the substance or timing of the SPAC's obligation to allow redemption in connection with the SPAC's initial business combination, or to redeem 100% of SPAC Public Shares if SPAC has not completed an initial business combination by the Extended Deadline or (y) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity.
- (4) The Sponsors and their affiliates' total potential ownership interest in the post-Closing Company, assuming the exercise and conversion of all securities following the Closing, including the SPAC Private Placement Warrants, the Converted SPAC

Public Shares as described above, and Founder Shares, is estimated to comprise approximately 18.10% of outstanding CayCo Ordinary Shares in a no redemption scenario, 18.70% of outstanding CayCo Ordinary Shares in an intermediate redemption scenario and 19.05% of outstanding CayCo Ordinary Shares in a maximum redemption scenario.

- (5) Assumes the exercise of all issued and outstanding SPAC Public Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination.
- (6) Assumes the exercise of all issued and outstanding SPAC Private Placement Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination. As of the date of this Registration Statement/Proxy Statement, the Sponsors have not extended any working capital loan to Chenghe, which may be convertible into warrants at the option of the Sponsors. None of Chenghe, its directors and officers is aware of any intention to obtain any working capital loan which may be convertible into warrants from the Sponsors.

The Proposals for the SPAC Shareholders' Meeting

- **Proposal No. 1 — The Business Combination Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to approve and adopt the business combination agreement dated as of December 22, 2023 (as it may be amended, supplemented or otherwise modified from time to time, the “**Business Combination Agreement**”), by and among Chenghe, FST Corp., a Cayman Islands exempted company with limited liability (“**CayCo**”), FST Merger Ltd., a Cayman Islands exempted company with limited liability and a direct wholly owned subsidiary of CayCo (“**Merger Sub**”), and Femco Steel Technology Co., Ltd., a company incorporated and in existence under the laws of Taiwan with uniform commercial number of 04465819 (“**FST**” and together with CayCo and Merger Sub, the “**FST Parties**”), and approve the transactions contemplated thereby, pursuant to which, among other things, Merger Sub shall be merged with and into Chenghe with Chenghe being the surviving company and as a direct, wholly owned subsidiary of CayCo (the “**Merger**”), and Chenghe will change its name to “FST Ltd.” (the “**Business Combination**”). The Business Combination and other transactions contemplated by the Business Combination Agreement are referred to as the “**Transactions**.” A copy of the Business Combination Agreement is attached as Annex A to the accompanying Registration Statement/Proxy Statement and a copy of the Plan of Merger is attached as Annex A-1 to this Registration Statement/Proxy Statement;
- **Proposal No. 2 — The Merger Proposal** — to consider and vote upon, as a special resolution, a proposal to approve and adopt the plan of merger to be filed with the Registrar of Companies of the Cayman Islands (the “**Plan of Merger**”) and approve the transactions contemplated thereby, including, without limitation the Merger. A copy of the Plan of Merger is attached as Annex A-1 to this Registration Statement/Proxy Statement;
- **Proposal No. 3 — The Authorized Share Capital Amendment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to approve, with effect from the effective time of the Merger, the reclassification and re-designation of (a) 200,000,000 issued and unissued Class A ordinary shares of a par value of \$0.0001 each to 200,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; (b) 20,000,000 issued and unissued Class B ordinary shares of a par value of \$0.0001 each to 20,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; and (c) 1,000,000 authorized but unissued preference shares of a par value of \$0.0001 each to 1,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each (the “**Re-designation**”) so that following such Re-designation, the authorized share capital of Chenghe shall be \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each, and immediately after the Re-designation, the authorized share capital of Chenghe be increased from \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each to \$50,000 divided into 500,000,000 ordinary shares of a par value of \$0.0001 each by the creation of an additional 279,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each to rank pari passu in all respects with the existing ordinary shares;
- **Proposal No. 4 — The Articles Amendment Proposals** — to consider and vote upon, as special resolutions, two separate special resolutions to respectively approve, with effect from the effective time of the Merger:
 - (a) the change of name of Chenghe from “Chenghe Acquisition I Co.” to “FST Ltd.”; and
 - (b) the amended and restated memorandum and articles of association of SPAC currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the proposed second amended and restated memorandum and articles of association (the “**Restated M&A**”). A copy of the Restated M&A is attached as Annex H to this Registration Statement/Proxy Statement; and

- **Proposal No. 5 — The Adjournment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to adjourn the Extraordinary General Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the Extraordinary General Meeting, there are not sufficient votes to approve one or more proposals presented to the shareholders for vote.

Please see the sections entitled “*Extraordinary General Meeting of SPAC Shareholders*,” “*SPAC Shareholder Proposal No. 1 — The Business Combination Proposal*,” “*SPAC Shareholder Proposal No. 2 — The Merger Proposal*,” “*SPAC Shareholder Proposal No. 3 — The Authorized Share Capital Amendment Proposal*,” “*SPAC Shareholder Proposal No. 4 — The Articles Amendment Proposals*,” and “*SPAC Shareholder Proposal No. 5 — The Adjournment Proposal*” for more information on the foregoing proposals.

Date, Time and Place of SPAC Shareholders’ Meeting

The SPAC Shareholders’ Meeting will be held at [•] a.m. Eastern Time, on [•], 2024, at [•], and via live webcast at: [•], or such other date, time and place to which such meeting may be adjourned or postponed, to consider and vote upon the SPAC Shareholder Proposals.

Voting Securities, Record Date

SPAC Shareholders will be entitled to vote or direct votes to be cast at the SPAC Shareholders’ Meeting if they owned SPAC Ordinary Shares at the close of business on [•], 2024, which is the Record Date for the SPAC Shareholders’ Meeting. SPAC Shareholders will have one vote for each SPAC Ordinary Share owned at the close of business on the Record Date. If your shares are held in “street name” or are in a margin or similar account, you should contact your broker, bank or nominee to ensure that votes related to the shares you beneficially own are properly counted. On the Record Date, there were [•] SPAC Ordinary Shares issued and outstanding, of which [•] were held by Public Shareholders with the rest being held by the Sponsors.

Redemption Rights

Pursuant to SPAC MAA, SPAC Public Shareholders may demand that SPAC redeem their SPAC Class A Ordinary Shares for cash if the Business Combination is consummated. Notwithstanding the foregoing, a SPAC Public Shareholders, together with any affiliate of his or her or any other person with whom such holder is acting in concert or as a “group” (as defined in Section 13(d)(3) of the Exchange Act), will be restricted from seeking redemption rights with respect to more than 15% of the SPAC Class A Ordinary Shares.

SPAC Public Shareholders will be entitled to receive cash for these shares only if they deliver their share certificates (if any) and other redemption forms to the SPAC Transfer Agent no later than two (2) Business Days prior to the SPAC Shareholders’ Meeting. SPAC Public Shareholders do not need to affirmatively vote on the Business Combination Proposal or be a holder of such shares as of the Record Date to exercise redemption rights. If the Business Combination is not consummated, these shares will not be converted into cash. If a SPAC Public Shareholder properly demands conversion, delivers his, her or its share certificates (if any) and other redemption forms to SPAC Transfer Agent as described above, and the Business Combination is consummated, SPAC will convert each SPAC Class A Ordinary Share into a full pro rata portion of the Trust Account, calculated as of two (2) Business Days prior to the consummation of the Business Combination. If a SPAC Public Shareholder exercises his, her or its redemption rights, then it will be exchanging its SPAC Class A Ordinary Shares for cash and will not become a CayCo Shareholder. See the section entitled “*Extraordinary General Meeting of SPAC Shareholders — Redemption Rights*” for a detailed description of the procedures to be followed for the redemption of SPAC Class A Ordinary Shares.

Furthermore, under the Business Combination Agreement, as one of the Closing Conditions, SPAC shall not redeem Public Shares that would cause its net tangible assets to be less than \$5,000,001 following such redemptions, unless such condition have been waived by all parties.

Appraisal Rights

The Cayman Companies Act prescribes when shareholder appraisal rights will be available and sets the limitations on such rights. Where such rights are available and have been validly exercised and not effectively withdrawn or lost, dissenting shareholders are entitled to receive fair value for their shares as determined by the

Grand Court of the Cayman Islands.

Regardless of whether shareholder appraisal rights are or are not available, Holders of SPAC Class A Ordinary Shares are still entitled to exercise the rights of redemption as set out herein. However, Holders of SPAC Class A Ordinary Shares who elect to exercise appraisal rights will lose their right to exercise their redemption rights as described herein.

In order for Holders of SPAC Ordinary Shares to validly exercise their appraisal rights in connection with the Business Combination under the Cayman Companies Act, they must provide to SPAC prior to the SPAC Shareholders' Meeting their written objection to the Business Combination and a statement demanding the payment for their SPAC Ordinary Shares, and subsequently comply with all the procedures and requirements set out in Section 238 of the Cayman Companies Act for the exercise of shareholder appraisal rights.

In essence, that procedure is as follows: (i) as noted above, the shareholder must give his/her/its written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (ii) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice of such approval to each shareholder who made a written objection; (iii) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his/her/its intention to dissent in respect of all of his shares, including, among other details, a demand for payment of the fair value of his shares; (iv) within seven days following the date of the expiration of the period set out in (iii) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his, her or its shares at a price that the company determines is the fair value and if the company and the dissenting shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the dissenting shareholder such amount; and (v) if the company and the dissenting shareholder fail to agree on a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company must (and any dissenting shareholder may) file a petition with the Grand Court of the Cayman Islands to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached.

Recommendations of SPAC's Board of Directors to SPAC Shareholders

The SPAC Board has determined that each of the SPAC Shareholder Proposals is fair to and in the best interest of SPAC and its shareholders and recommended that SPAC Shareholders vote **"FOR"** each of the Business Combination Proposal, the Merger Proposal, the Authorized Share Capital Amendment Proposal and the Articles Amendment Proposals, and **"FOR"** the Adjournment Proposal, if presented.

Reasons for the Approval of the Business Combination and Recommendations

The SPAC Board, in evaluating the transaction with FST, consulted with its legal counsel and financial and other advisors. In reaching its decision (i) that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination, are advisable, fair to and in the best interests of, SPAC and its shareholders, and (ii) to recommend that the shareholders approve the transactions contemplated by the Business Combination Agreement, including the Business Combination, the SPAC Board considered and evaluated a number of factors, including, but not limited to, the factors discussed below.

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Before reaching its decision, the SPAC Board reviewed the results of management's due diligence, which included:

- research on industry trends, competitive landscape and other industry factors;
- benchmarking versus key competitors on historical financial and operational performance;
- extensive meetings and calls with FST management team and representatives regarding operations, major suppliers and financial prospectus, among other customary due diligence matters;

- review of FST’s material business contracts and certain other legal and commercial diligence;
- review of FST’s business model and historical financial statements, among other financial information; and
- discussions with external advisors and review reports related to legal diligence prepared by external advisors.

In light of the wide variety of factors considered in connection with its evaluation of the Business Combination Agreement and the transactions contemplated thereby, the SPAC Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that the SPAC Board considered in reaching its determination and supporting its decision. The SPAC Board viewed its decision as being based on all of the information available and the factors presented to and considered by the SPAC Board. In addition, individual directors may have given different weight to different factors. The SPAC Board was conscious of the fact that there could be no assurance about future results, including results considered or expected as discussed in further detail below. This explanation of the SPAC Board’s reasons for the Business Combination and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the section entitled “*Cautionary Note Regarding Forward-Looking Statements.*”

In approving the Business Combination, the SPAC Board determined not to obtain a fairness opinion. The officers and directors of SPAC have substantial experience in evaluating the operating and financial merits of companies from a wide range of industries and they have substantial experience with mergers and acquisitions. The SPAC Board had given due and proper consideration to all matters and things that are necessary or appropriate, including but not limited to whether the Business Combination was fair from a financial perspective to the SPAC Shareholders and the fair market value of FST is at least 80% of the net assets held in the Trust Account (net of amounts disbursed to management for working capital purposes and excluding the amount of any deferred underwriting discount held in the Trust Account), to enable it to evaluate and reach an informed conclusion as to the fairness and reasonableness of the Transactions.

SPAC considered a number of factors pertaining to the Business Combination as generally supporting its decision to enter into the Business Combination Agreement and the transactions contemplated thereby. The SPAC Board also considered a variety of uncertainties and risks and other potentially negative factors concerning the Business Combination.

The SPAC Board concluded that the potential benefits that it expected SPAC and its shareholders to achieve as a result of the Business Combination outweighed the potentially negative factors associated with the Business Combination. Accordingly, the SPAC Board determined that the Business Combination Agreement and the Business Combination contemplated therein were advisable, fair to and in the best interests of SPAC and its shareholders. See the section entitled “*SPAC Shareholder Proposal No. 1 — The Business Combination Proposal — SPAC Board’s Reasons for the Approval of the Business Combination and Recommendations.*”

Interests of Certain Persons in the Business Combination

In considering the recommendation of the SPAC Board to vote in favor of the Business Combination, shareholders should be aware that, the Sponsors, SPAC’s directors and officers have interests in the Business Combination that are different from, or in addition to, those of other SPAC Shareholders generally, which could cause them to benefit from and incentivize them to pursue a business combination with a less favorable target company or on terms less favorable to non-redeeming shareholders rather than liquidate, subject always to their fiduciary duties under Cayman Islands law. SPAC’s directors were aware of and considered these interests, among other matters, in evaluating the Business

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Combination and did not believe that such interests would preclude them from approving the Business Combination or from recommending the Business Combination to SPAC Shareholders, considering that these interests would be disclosed in this Registration Statement/Proxy Statement. SPAC Shareholders should take these interests into account in deciding whether to approve the Business Combination. These interests include, among other things:

- the fact that the Old SPAC Sponsor paid an aggregate of \$25,000 for 3,250,000 Founder Shares, which will have a significantly higher value at the time of the Business Combination but will become worthless if a business combination is not consummated by the Extended Deadline. Based on the average of the high (\$[•]) and low (\$[•]) prices for the SPAC Class A Ordinary Shares on

Nasdaq on [•], 20[•], after giving effect to the Sponsor Sale, the value of the Founder Shares held by the Old SPAC Sponsor would be \$[•];

- the fact that the Old SPAC Sponsor paid an aggregate of approximately \$7,900,000 for its 7,900,000 SPAC Private Placement Warrants to purchase SPAC Class A Ordinary Shares and that such SPAC Private Placement Warrants will expire worthless if a business combination is not consummated by the Extended Deadline;
- the fact that the New SPAC Sponsor entered into the Sponsor Sale SPA with the Old SPAC Sponsor for the acquisition of an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor for an aggregate purchase price of \$1.00 plus \$450,000 extension contribution payment incurred prior to the date of the Sponsor Sale SPA and other extension payments that may become due after the Sponsor Sale, and in accordance with the terms of the Trust Agreement. Based on the closing price for the Public Shares of \$[•] on the Nasdaq on [•], 20[•], the value of the Founder Shares held by the New SPAC Sponsor would be \$[•], and the value of the Converted SPAC Public Shares held by the New SPAC Sponsor would be \$[•];
- the fact that the Sponsors are anticipated to hold 18.10% of issued and outstanding shares of CayCo immediately following the Business Combination (assuming no redemptions of holders of SPAC Class A Ordinary Shares and the exercise of SPAC Private Placement Warrants);
- the fact that given the differential in the purchase price that the Sponsors paid for the SPAC Class B Ordinary Shares and the purchase price that the Sponsors paid for the SPAC Private Placement Warrants as compared to the price of the SPAC Class A Ordinary Shares and SPAC Public Warrants and the substantial number of SPAC Class A Ordinary Shares that the Sponsors will receive upon conversion of the SPAC Class B Ordinary Shares and (as applicable) SPAC Private Placement Warrants, the Sponsors can earn a positive return on their investment, even if holders of SPAC Class A Ordinary Shares have a negative return on their investment;
- the fact that the Sponsors have agreed not to redeem any SPAC Ordinary Shares held by them in connection with the shareholder vote to approve a proposed initial business combination pursuant to the SPAC IPO Letter Agreement;
- the fact that the Sponsors will lose their entire investment in SPAC if an initial business combination is not consummated by the Extended Deadline Date. The Sponsors, SPAC's directors and officers, and their respective affiliates have not incurred any out-of-pocket fees and expenses in relation to the initial business combination since the SPAC IPO, except that, on October 25, 2023, SPAC issued the October 2023 Note to the New SPAC Sponsor, for a principal amount of up to \$1,960,000. SPAC may further draw down up to \$960,000 under the October 2023 Note to pay the Contributions, and up to \$519,400 for general corporate purposes. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. As of the date hereof, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note;
- the fact that the Sponsors have agreed to waive their rights to liquidating distributions from the Trust Account with respect to SPAC Class B Ordinary Shares held by them if SPAC fails to complete an initial business combination by the Extended Deadline;
- the fact that the Sponsors, SPAC's directors and officers, and their respective affiliates are entitled to reimbursement of reasonable out-of-pocket expenses incurred by them in connection with certain activities on SPAC's behalf, such as identifying and investing possible business targets and business combinations. However, if SPAC fails to consummate a business combination within the required period, they will not

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have any claim against the Trust Account for reimbursement. Accordingly, SPAC may not be able to reimburse these expenses if the Business Combination or another business combination is not completed by the Extended Deadline;

- the right of the Sponsors to hold the CayCo Ordinary Shares and CayCo Warrants following the Business Combination, subject to certain lock-up periods;
- in the event of the liquidation of the Trust Account upon the failure of SPAC to consummate a

business combination by the Extended Deadline, the Sponsors have agreed to indemnify SPAC to ensure that the proceeds in the Trust Account are not reduced below \$10.20 per SPAC Class A Ordinary Share, or such lesser per-public share amount as is in the Trust Account on the liquidation date, by the claims of prospective target businesses with which SPAC has entered into a written letter of intent, confidentiality or other similar agreement or claims of any third party (other than its independent public accountants) for services rendered or products sold to SPAC, provided that such indemnification will not apply to any claims by a third party that executed a waiver of any and all rights to seek access to the Trust Account, nor will it apply to any claims under indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act;

- the Sponsors (including its representatives and affiliates) and SPAC’s officers and directors are, or in the future may become, affiliated with entities that are engaged in similar business to SPAC. For example, the New SPAC Sponsor is controlled by Mr. Richard Qi Li, who also served as a director and the chief executive officer of HH&L Acquisition Co., a NYSE-listed special purpose acquisition company, and as chairman of the board of Chenghe Acquisition Co., a Nasdaq-listed special purpose acquisition company. The chief executive officer and chief financial officer of SPAC, Ms. Zhiyang Zhou, also served as chief financial officer of Chenghe Acquisition Co. The chairman of SPAC Board, Dr. Shibin Wang, served as chief executive officer of Chenghe Acquisition Co. The Sponsors and SPAC’s officers and directors are not prohibited from sponsoring, or otherwise becoming involved with, another blank check company prior to SPAC completing its initial business combination. SPAC’s officers and directors may become aware of business opportunities which may be appropriate for presentation to SPAC, and the other entities to which they owe certain fiduciary or contractual duties. Accordingly, they may have had conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in SPAC’s favor and such potential business opportunities may be presented to other entities prior to their presentation to SPAC, subject to applicable fiduciary duties under Cayman Islands law. SPAC MAA provide that SPAC renounces its interest in any corporate opportunity offered to any officer or director of SPAC. This waiver allows SPAC’s officers and directors to allocate opportunities based on a combination of the objectives and fundraising needs of the target, as well as the investment objectives of the entity. SPAC does not believe that the waiver of the corporate opportunities doctrine otherwise had a material impact on its search for an acquisition target;
- the fact that the Business Combination Agreement provides for the continued indemnification of SPAC’s existing directors and officers and the continuation of the directors’ and officers’ liability insurance after the Business Combination; and
- the fact that SPAC has entered into a registration rights agreement with the Sponsors, which provides for customary registration rights to them and their permitted transferees.

Comparison of Rights of CayCo Shareholders and SPAC Shareholders

If the Business Combination is successfully completed, SPAC Shareholders will become CayCo Shareholders and their rights as shareholders will be governed by CayCo’s constitutional documents. Please see the section entitled “*Comparison of Rights of CayCo Shareholders and Chenghe Shareholders*” for more information.

Emerging Growth Company

CayCo is, and consequently, following the Business Combination, will be, an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As such, post-Closing, CayCo will be eligible to take advantage of certain exemptions from 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

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the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), reduced disclosure obligations regarding executive compensation in their periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. If some investors find CayCo’s securities less attractive as a result, there may be a less active trading market for

CayCo's securities and the prices of CayCo's securities may be more volatile.

Post-Closing, CayCo will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year (a) following the fifth anniversary of the date of its first sale of common equity securities pursuant to an effective registration statement, (b) in which CayCo has total annual gross revenue of at least \$1.235 billion, or (c) in which CayCo is deemed to be a large accelerated filer, which means the market value of the CayCo's common equity that is held by non-affiliates exceeds \$700 million as of the last Business Day of its most recently completed second fiscal quarter; and (ii) the date on which CayCo has issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to "emerging growth company" have the meaning associated with it in the JOBS Act.

Foreign Private Issuer

CayCo is a foreign private issuer within the meaning of the rules under the Exchange Act and, as such, CayCo is permitted to follow the corporate governance practices of its home country in lieu of the corporate governance standards of the Stock Exchange applicable to U.S. domestic companies. For example, CayCo is not required to have a majority of the board consisting of independent directors nor have a compensation committee or a nominating and corporate governance committee consisting entirely of independent directors. CayCo intends to continue to follow its home country's corporate governance practices as long as it remains a foreign private issuer. As a result, CayCo's shareholders may not have the same protection afforded to shareholders of U.S. domestic companies that are subject to corporate governance requirements of the Stock Exchange. As a foreign private issuer, CayCo is also subject to reduced disclosure requirements and are exempt from certain provisions of the U.S. securities rules and regulations applicable to U.S. domestic issuers such as the rules regulating solicitation of proxies and certain insider reporting and short-swing profit rules.

Risk Factor Summary

In evaluating the proposals set forth in this Registration Statement/Proxy Statement, you should carefully read this Registration Statement/Proxy Statement, including the annexes, and especially consider the factors discussed in the section entitled "*Risk Factors*." The occurrence of one or more of the events or circumstances described in that section, alone or in combination with other events or circumstances, may have a material adverse effect on (i) SPAC's ability to complete the Business Combination, and (ii) the business, cash flows, financial condition, results of operations and prospects of CayCo following consummation of the Business Combination. Such risks include, but are not limited to the following. The "*Company*" used in the section entitled "*Risk Factors*" refers to FST.

Risks Related to CayCo and the Company's Business

- A reduction in the number of rounds of golf played or in the number of golf participants could adversely affect the Company's business, results of operation and financial condition.
- The Company may have limited opportunities for future growth in sales of golf club shafts.
- Unfavorable economic conditions, including as a result of lingering COVID-19 effects, inflation, geopolitical events or otherwise, could have a negative impact on consumer discretionary spending and therefore negatively impact the Company's results of operations, financial condition and cash flows.
- A severe or prolonged economic downturn could adversely affect the Company's customers' financial condition, their levels of business activity and their ability to pay trade obligations.
- The Company faces intense competition in the golf club shaft market, and if it is unable to compete effectively, it could have a material adverse effect on its business, results of operations, financial condition and growth prospects.

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- If the Company is unable to successfully manage the frequent introduction of new products that satisfy changing consumer preferences, it could significantly and adversely impact its financial performance and prospects for future growth.
- Loss of a key customer, or a reduction in the purchase level of a key customer, could adversely affect the Company's business, results of operation and financial condition.
- If the Company fails to execute its growth strategy or manage growth effectively, its business,

financial condition and results of operations would be adversely affected.

- The Company's strategy of using acquisitions and dispositions to position its businesses may not always be successful, which may have a material adverse impact on results of operation, financial condition and profitability of the Company.

Risks Related to Chenghe and the Business Combination

- Chenghe's independent registered public accounting firm's report contains an explanatory paragraph that express substantial doubt about its ability to continue as a "going concern." Chenghe may not have sufficient funds to consummate the Business Combination.
- The Business Combination remains subject to conditions that Chenghe cannot control, and if such conditions are not satisfied or otherwise waived, the Business Combination may not be consummated.
- The Business Combination may be delayed or terminated if the Department of Investment Review under the Ministry of Economic Affairs of Taiwan fails to grant the relevant Taiwan DIR Approval timely or at all.
- CayCo may fail to acquire sufficient shares of FST, and the Business Combination may be delayed or terminated.
- Because FST is not conducting an underwritten offering of its securities, no underwriter has conducted due diligence of FST's business, operations or financial condition or reviewed the disclosure in this Registration Statement/Proxy Statement.
- Chenghe and FST may not be able to obtain Transaction Financing in connection with the Business Combination.

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RISK FACTORS

You should carefully review and consider the following risk factors and the other information contained in this Registration Statement/Proxy Statement, including the financial statements and notes to the financial statements included herein, in evaluating the Business Combination and the SPAC Shareholder Proposals to be voted on at the SPAC Shareholders' Meeting. The risks discussed herein have been identified based on an evaluation of the historical risks faced by the Company and the SPAC and relate to current expectations as to future risks that may result from the Business Combination. Certain of the following risk factors apply to the business and operations of the Company and will also apply to the business and operations of CayCo following the completion of the Business Combination. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may adversely affect the ability to complete or realize the anticipated benefits of the Business Combination, and may have a material adverse effect on the business, cash flows, financial condition and results of operations of CayCo following the Business Combination. This could cause the trading price of the CayCo Ordinary Shares, the SPAC Units, the SPAC Warrants, or the CayCo Warrants to decline, perhaps significantly, and you therefore may lose all or part of your investment. You should carefully consider the following risk factors in conjunction with the other information included in this Registration Statement/Proxy Statement, including matters addressed in the section entitled "Cautionary Note Regarding Forward-Looking Statements," "Company Management's Discussion and Analysis of Financial Condition and Results of Operations," "SPAC Management's Discussion and Analysis of Financial Condition and Results of Operations," the financial statements of the Company, the financial statements of SPAC and notes to the financial statements included herein. The risks discussed below are not exhaustive and are based on certain assumptions made by CayCo, SPAC and the Company which later may prove to be incorrect or incomplete. Investors are encouraged to perform their own investigation with respect to the business, financial condition and prospects of the Company, SPAC and CayCo. Each of CayCo, SPAC and the Company may face additional risks and uncertainties that are not presently known to it, or that are currently deemed immaterial, which may also impair its business or financial condition. The "Company" in this section refers to FST.

Risks Related to CayCo and the Company's Business

A reduction in the number of rounds of golf played or in the number of golf participants could adversely affect the Company's business, results of operation and financial condition.

The Company generates a substantial portion of its revenues from the sale of golf-related products,

including golf club shafts and golf accessories. The demand for golf-related products in general, and golf club shafts in particular is directly related to the number of golf participants and the number of rounds of golf being played by these participants. If golf participation decreases or the number of rounds of golf played decreases, sales of the Company's products may be adversely affected, which, in turn, could have material adverse effect on the Company's business, results of operation and financial condition.

In addition, the demand for golf products is also driven by the visibility and popularity of golf through various media, including magazines, cable channels and television coverage of golf tournaments and attendance at golf events. The Company relies on the exposure of its products through advertising, other media coverage, or being used in golf tournaments. Any significant reduction in media coverage of, or attendance at, golf tournaments and events (whether as a result of COVID-19-related restrictions or otherwise) or any significant reduction in the popularity of golf magazines or golf television channels, could reduce the visibility of the Company's brand and could adversely affect the Company's sales, which, in turn, could have material adverse effect on the Company's business, results of operation and financial condition.

The Company may have limited opportunities for future growth in sales of golf club shafts.

In order for the Company to significantly grow its sales of golf club shafts, the Company must either increase its share of the market for golf club shafts, enter into new geographic regions, or the overall market for golf products must grow. The golf industry is very competitive. As such, gaining incremental market share quickly or at all is difficult. Therefore, opportunities for additional market share may be limited given the challenging competitive nature of the golf industry, and the overall dollar volume of worldwide sales of golf club shafts may not grow or may decline.

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Unfavorable economic conditions, including as a result of lingering COVID-19 effects, inflation, geopolitical events or otherwise, could have a negative impact on consumer discretionary spending and therefore negatively impact the Company's results of operations, financial condition and cash flows.

The Company's golf-related products are recreational in nature and are therefore discretionary purchases for consumers. Consumers are generally more willing to make discretionary purchases of golf products and to spend on leisure and out-of-home entertainment during favorable economic conditions and when consumers are feeling confident and prosperous. The demand for these entertainment and recreational activities is highly sensitive to downturns in the economy and the corresponding impact on discretionary consumer spending. Any actual or perceived deterioration or weakness in general, regional or local economic conditions, unemployment levels, the job or housing markets, consumer debt levels or consumer confidence, as well as other adverse economic or market conditions due to lingering COVID-19 effects, inflation, geopolitical events including military or trade conflicts or otherwise may lead to customers having less discretionary income to spend on entertainment and recreational activities, and may result in significant fluctuations and spending patterns year to year. Discretionary spending is also affected by many other factors, including general business conditions, interest rates, the availability of consumer credit, taxes and consumer confidence in future economic conditions. Purchases of the Company's products and services could decline during periods when disposable income is lower, or during periods of actual or perceived unfavorable economic conditions. A significant or prolonged decline in general economic conditions or uncertainties regarding future economic prospects that adversely affect consumer discretionary spending, whether in the United States, Japan or other markets, could result in reduced sales of the Company's products, which in turn would have a negative impact on the Company's results of operations, financial condition and cash flows.

A severe or prolonged economic downturn could adversely affect the Company's customers' financial condition, their levels of business activity and their ability to pay trade obligations.

The Company primarily sells its golf products to retailers directly and through wholly-owned foreign subsidiaries, and to foreign distributors. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral from these customers. However, a severe or prolonged downturn in the general economy could adversely affect the retail market, which would in turn negatively impact the liquidity and cash flows of the Company's customers, including the ability of such customers to obtain credit to finance purchases of the Company's products and to pay their trade obligations. A failure by the Company's customers to pay on a timely basis a significant portion of outstanding account receivable balances would adversely impact the Company's results of operations, financial condition and cash flows.

The Company faces intense competition in the golf club shaft market, and if it is unable to compete effectively, it could have a material adverse effect on its business, results of operations, financial condition and growth prospects.

The golf club shaft business is highly competitive, and is served by a number of well-established and well-financed companies, which generally entered into the market earlier than the Company, each with a competitive brand. The Company encounters competition from U.S. and other international companies in price, delivery, performance, product innovation, and product recognition and quality. These competitors may be better able to withstand a change in conditions within the golf club shafts, a change in the prices of raw materials or a change in the economy as a whole.

With respect to golf club shaft sales, new product introductions, price reductions, consignment sales, extended payment terms, “closeouts,” including closeouts of products that were recently commercially successful, and significant tour and advertising spending by competitors continue to generate intense market competition. Successful marketing activities, discounted pricing, consignment sales, extended payment terms or new product introductions by competitors could negatively impact the Company’s future sales.

The Company believes that to be competitive, it also needs to continue to incur significant expenses in tour, advertising and promotional support. In addition, the Company has invested, and may continue to invest in the future, significant capital into upgrades to its manufacturing facilities to remain on the forefront of technological and competitive innovation. The Company may also in the future acquire other business operating in the golf club shaft industry to increase its market share, brand visibility and pricing power. However, unless there is a material change in competitive conditions, these competitive pressures and increased costs will continue to adversely affect the profitability of the Company’s golf equipment business.

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If the Company is unable to successfully manage the frequent introduction of new products that satisfy changing consumer preferences, it could significantly and adversely impact its financial performance and prospects for future growth.

The Company’s golf club shaft products, like those of its competitors, generally have life cycles of two years to three years, with sales occurring at a much higher rate in the first year than in the second. Factors driving these short product life cycles include the rapid introduction of competitive products and consumer demands for the latest technology. In this marketplace, a substantial portion of the Company’s annual revenues is generated each year by products that are in their first year of their product life cycle.

These marketplace conditions raise a number of issues that the Company must successfully manage. For example, the Company must properly anticipate consumer preferences and design products that meet those preferences while also complying with significant restrictions imposed on golf equipment by rules governing the game of golf, such as the Rules of Golf published by the United States Golf Association or its new products will not achieve sufficient market success to compensate for the usual decline in sales experienced by products already in the market. Second, the Company’s research and development and supply chain groups face constant pressures to design, develop, source and supply new products that perform better than their predecessors many of which incorporate new or otherwise untested technology, suppliers or inputs. Third, for new products to generate equivalent or greater revenues than their predecessors, they must either maintain the same or higher sales levels with the same or higher pricing, or exceed the performance of their predecessors in one or both of those areas. Fourth, the relatively short window of opportunity for launching and selling new products requires great precision in forecasting demand and assuring that supplies are ready and delivered during the critical selling periods. Finally, the rapid changeover in products creates a need to monitor and manage the closeout of older products both at retail and in the Company’s own inventory. Should the Company not be able to successfully manage the frequent introduction of new products that satisfy consumer demand, the Company’s results of operations, financial condition and cash flows could be significantly adversely affected.

Loss of a key customer, or a reduction in the purchase level of a key customer, could adversely affect the Company’s business, results of operation and financial condition.

The Company sell a majority of its golf club shafts to a relatively limited number of major golf club brands and sport goods distributors. Even though the Company has long standing relationships with its major customers, purchases are on a purchase order basis and such relationships are terminable at the customer’s option. Because the Company depends on a relatively limited number of major customers, its business, financial condition or results of operations could be adversely affected by the loss of any of these customers, a reduction in the purchasing levels of these customers or an adverse change in the terms of the commercial arrangements with these customers.

Loss of a key supplier or lack of product availability from suppliers could adversely affect the Company’s business, results of operation and financial condition.

The Company outsources the production of its graphite shafts to one external manufacturer and depends on

a selected number of suppliers for raw materials in the production of its steel shafts. Its relationships with these key suppliers are longstanding but are terminable by either party. The loss of key supplier, or a substantial decrease in the availability of their products, could put the Company at a competitive disadvantage and have a material adverse effect on our business or results of operations. Supply interruptions could arise from raw material shortages, inadequate manufacturing capacity or utilization to meet demand, financial difficulties, tariffs and other regulations affecting international trade, labor disputes, weather conditions affecting suppliers' production, transportation disruptions or other reasons beyond the Company's control.

If the Company fails to execute its growth strategy or manage growth effectively, its business, financial condition and results of operations would be adversely affected.

The expected continued growth and expansion of the Company's business and execution of its growth strategy may place a significant strain on management, business operations, financial condition and infrastructure and corporate culture. With continued growth, the Company's information technology systems and its internal control over financial reporting and procedures may not be adequate to support its operations and may allow data security incidents

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that may interrupt business operations and allow third parties to obtain unauthorized access to business information or misappropriate funds. The Company may also face risks to the extent such third parties infiltrate the information technology infrastructure of its contractors.

To manage growth in operations and personnel and execute its growth strategy, the Company will need to continue to improve its operational, financial and management controls and reporting systems and procedures. In addition, the Company may face difficulties as it expands its operations into new markets in which it has limited or no prior experience. Failure to manage growth effectively could result in difficulty or delays in attracting new customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new products and services or enhancing existing products and services, loss of customers, information security vulnerabilities or other operational difficulties, any of which could adversely affect the Company's business, operating results and financial condition.

The Company's strategy of using acquisitions and dispositions to position its businesses may not always be successful, which may have a material adverse impact on results of operation, financial condition and profitability of the Company.

The Company may in the future use acquisitions and dispositions in an effort to strategically position its businesses in the golf club shaft business and improve its ability to compete. The Company plans to do this by acquiring businesses complementary to existing strengths and continually evaluating the performance and strategic fit of its existing business units. The Company considers acquisitions, joint ventures and other business combination opportunities. From time-to-time, management may hold discussions with management of other companies to explore such opportunities. As a result, the relative makeup of the businesses comprising the Company may be subject to change. Acquisitions, joint ventures and other business combinations involve various inherent risks, such as: assessing accurately the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition or other transaction candidates; the potential loss of key personnel of an acquired business; significant transaction costs that were not identified during due diligence; the Company's ability to achieve identified financial and operating synergies anticipated to result from an acquisition or other transaction; impairments of goodwill; and unanticipated changes in business and economic conditions affecting an acquisition or other transaction. The amount and type of consideration and deal charges paid could have an adverse or dilutive effect on the Company's profitability and other financial results, despite having anticipated long-term economic benefit to the Company. If acquisition opportunities are not available, or if one or more acquisitions are not successfully integrated into our operations, this could have a material adverse impact on our competitive positioning, financial results and profitability.

The Company may need new or additional financing in the future to expand its business, and its inability to obtain capital on satisfactory terms or at all may have an adverse impact on its operations and its financial results.

If the Company is unable to access capital on satisfactory terms and conditions, it may not be able to expand its business, whether through upgrading its manufacturing facility or through acquisitions. Its ability to obtain new or additional financing will depend on a variety of factors, many of which are beyond the Company's control. The Company may not be able to obtain new or additional financing because it may have substantial debt, its current receivable and inventory balances do not support additional debt availability or because the Company may not have sufficient cash flows to service or repay its existing or future debt. In addition, depending on market conditions and the Company's financial performance, equity financing may not be available on satisfactory terms

or at all. If the Company is unable to access capital on satisfactory terms and conditions, this could have an adverse impact on its operations and its financial results.

Failure to effectively expand the Company's sales and marketing capabilities could harm its ability to increase its customer base and achieve broader market acceptance of its solutions.

The Company's ability to grow its customer base, achieve broader market acceptance, grow revenue, and achieve and sustain profitability will depend, to a significant extent, on the Company's ability to effectively expand its sales and marketing operations and activities. The Company relies on its business development, sales and marketing teams to obtain new original equipment manufacturers (OEMs). The Company plans to continue to expand in these functional areas but it may not be able to recruit and hire a sufficient number of competent personnel with requisite skills, technical expertise and experience, which may adversely affect The Company's ability to expand its sales capabilities. The hiring process can be costly and time-consuming, and new employees may require significant training and time before they

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achieve full productivity. Recent hires and planned hires may not become as productive as quickly as anticipated, and the Company may be unable to hire or retain sufficient numbers of qualified individuals. The Company's ability to achieve significant revenue growth in the future will depend, in large part, on its success in recruiting, training, incentivizing and retaining a sufficient number of qualified personnel attaining desired productivity levels within a reasonable time. The Company business will be harmed if investment in personnel related to business development and related company activities does not generate a significant increase in revenue.

If the Company fails to expand effectively into new markets, its revenues and business may be negatively affected.

New initiatives are inherently risky, as each involves unproven business strategies and new product offerings with which the Company has limited or no prior development or operating experience. Developing the Company's products is expensive, and the investment in product development may involve a long or unmaterialized payback cycle. Difficulties in any of its new product development efforts could adversely affect its business, financial condition and results of operations.

In addition, even if the Company's products have achieved successful commercialization, the Company could experience increased warranty claims, reputational damage or other adverse effects, which could be material.

The Company's investment of resources to develop new product offerings may either be insufficient or may result in expenses that are excessive as compared to revenue produced from these new product offerings. Even if the Company is able to keep pace with changes in technology and develop new products and services, its research and development expenses could increase, its gross margins could be adversely affected and its prior products could become obsolete more quickly than expected.

If the Company is unable to devote adequate resources to develop products or cannot otherwise successfully develop products or services that meet customer requirements on a timely basis or that remain competitive with technological alternatives, its products and services could lose market share, its revenue could decline, it may experience higher operating losses, and its business and prospects could be adversely affected. Further, the Company's development efforts with respect to these initiatives could distract management from current operations and could divert capital and other resources from its existing business. If the Company does not realize the expected benefits of its investments, its business, financial condition, results of operations, and prospects, could be materially and adversely affected.

The Company has experienced operating losses and there is no guarantee that the Company can regain and maintain profitability.

In the year ended December 31, 2023, the Company recorded approximately US\$2.2 million in net losses and approximately US\$11.2 million negative cash flow from operating activities. The financial performance of the Company is the result of numerous factors, including:

- the weaker demands from our customers for their spending on golf under the impact of slowdown in global economy; and
- with the easing of the COVID-19 pandemic, golf is no longer the only outdoor sports option after the pandemic.

Although the Company's current business focus is on restoring profitable operations, certain of its costs and expenses may continue to remain elevated in future periods, which could materially and adversely affect its future

operating results if the revenue does not increase. The Company may also face increased regulatory compliance costs associated with growth, the launch of new products, and being a public company. The Company's efforts to grow its business and offer new products have been and may continue to be more costly than it expects, the Company may not be able to increase its revenue enough to offset the increased operating expenses and the investments the Company need to make in its business, and new products may not succeed. The Company may continue to incur significant losses in the future for several reasons, including as a result of the other risks described herein, and unforeseen expenses, difficulties, complications, delays, and other presently unknown events or risks. If the Company continue to be unable to achieve and maintain consistent profitability, this would materially and adversely affect the value of its business and the Company's securities.

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The Company may not be able to maintain its engineering, technological and manufacturing expertise.

The golf club shafts industry is characterized by changing technology and evolving process development. The continued success of the Company's business will depend upon its ability to:

- hire, retain and expand our pool of qualified engineering and technical personnel;
- maintain technological leadership in our industry;
- successfully anticipate or respond to changes in manufacturing processes in a cost-effective and timely manner; and
- successfully anticipate or respond to changes in cost to serve in a cost-effective and timely manner

The Company cannot be certain that its will develop the capabilities required by the market in the future. The emergence of new technologies, industry standards or customer requirements may render the Company's equipment, inventory or processes obsolete or non-competitive. The Company may have to acquire new technologies and equipment to remain competitive. The acquisition and implementation of new technologies and equipment may require us to incur significant expense and capital investment, which could reduce its margins and affect our operating results. Failure to anticipate and adapt to customers' changing preferences and requirements or to hire and retain a sufficient number of engineers and maintain engineering, technological and manufacturing expertise may have a material adverse effect on the Company's business.

CayCo's forecasts and projections are based upon assumptions, analyses and internal estimates developed by its management. If these assumptions, analyses or estimates prove to be incorrect or inaccurate, CayCo's actual operating results may differ materially and adversely from those forecasted or projected.

CayCo's forecasts and projections are subject to significant uncertainty and are based on assumptions, analyses and internal estimates developed by its management, any or all of which may not prove to be correct or accurate, including, but not limited to, successfully sourcing suitable business combination opportunities in the golf club shaft industry, and the realization of any anticipated synergies or benefits from such business combination. Realization of the results forecasted will depend on the successful implementation of CayCo's proposed business plan, and policies and procedures consistent with the assumptions. Future results will also be affected by events and circumstances beyond CayCo's control, for example, the competitive environment, its executive team, rapid technological change, economic and other conditions in the markets in which CayCo operates or seeks to enter, governmental regulation and, uncertainties inherent in product development and testing, CayCo's future financing needs and CayCo's ability to grow and to manage growth effectively. In particular, CayCo's forecasts and projections include forecasts and estimates relating to the expected size and growth of the markets in which CayCo operates or seeks to enter. CayCo's forecasts and projections also assume that it is able to perform its obligations under its commercial contracts. For the reasons described above, it is likely that the actual results of CayCo's operations will be different from the results forecasted and those differences may be material and adverse.

The projected financial information appearing elsewhere in this Registration Statement/Proxy Statement has been prepared by the management of the Company and reflects estimates of future performance as of the date such projected financial information was prepared. The project financial information has not been certified or examined by an accountant. CayCo's projected results depend on the successful implementation of management's growth strategies and are based on assumptions and events over which CayCo has only partial or no control. The assumptions underlying such projected information require the exercise of judgment and may not occur, and the projections are subject to uncertainty due to the effects of economic, business, competitive, regulatory, legislative, and political or other changes. There can be no assurance that CayCo's financial condition, including its cash flows or results of operations, will be consistent with those set forth in such projected financial results, which could have an adverse impact on the market price of CayCo Ordinary Shares or the financial position of the Post-Closing Company. CayCo does not have any duty to update the financial projections included in this Registration

CayCo's financial results may vary significantly from period to period due to fluctuations in its operating costs or expenses and other foreseeable or unforeseeable factors.

CayCo expects its period-to-period financial results to vary based on its operating costs, which CayCo anticipates will fluctuate as the pace at which it continues to design, develop and manufacture new products and increases production capacity by expanding its current manufacturing facilities and adding future facilities, may not

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be consistent or linear between periods. Additionally, CayCo's revenues from period to period may fluctuate as it introduces existing products to new markets for the first time and as CayCo develops and introduces new products. The Post-Closing Company's financial results may not meet expectations of equity research analysts, ratings agencies or investors, who may be focused only on short-term quarterly financial results. If this occurs, the trading price of CayCo Ordinary Shares could fall substantially, either suddenly or over time, and CayCo could face costly lawsuits, including securities class action suits.

CayCo may experience delays in launching and ramping the production of its products and features, or CayCo may be unable to control its manufacturing costs. FST has previously experienced and may in the future experience launch and production ramp delays for new products and features. In addition, CayCo may introduce in the future new or unique manufacturing processes and design features for its products. There is no guarantee that CayCo will be able to successfully and timely introduce and scale such processes or features.

The Company is exposed to fluctuations in currency exchange rates.

The Company generally sells its products to its customers in U.S. dollars, and incurs manufacturing costs, labor costs, research expenses, and other expenses in NTD. As a result, fluctuations in the exchange rate among the U.S. dollar and New Taiwan Dollar will affect the relative purchase power, in NTD terms, of the Company's U.S. dollar assets.

A fluctuation in the value of NTD relative to the U.S. dollar could reduce the Company's profits from operations and the translated value of net assets when reported in U.S. dollars in the Company's financial statements. This change in value could negatively impact the Company's business, financial condition, or results of operations as reported in U.S. dollars. In the event that the Company decides to convert its NTD into U.S. dollars to make payments for dividends on CayCo A Ordinary Shares or for other business purposes, appreciation of the U.S. dollar against the NTD will harm the U.S. dollar amount available to the Company. In addition, fluctuations in currencies relative to the periods in which the earnings are generated may make it more difficult to perform period-to-period comparisons of our reported results of operations.

It is difficult to predict how market forces or the Taiwanese or U.S. government policy may impact the exchange rate among the U.S. dollar and NTD in the future. Any significant appreciation or depreciation of NTD may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, CayCo Ordinary Shares in U.S. dollars.

Very limited hedging options are available to reduce the Company's exposure to exchange rate fluctuations. To date, the Company has not entered into any hedging transactions to reduce its exposure to foreign currency exchange risk. While the Company may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Company may not be able to hedge our exposure adequately. As a result, fluctuations in exchange rates may have a material adverse effect on the price of CayCo Ordinary Shares.

The Company is exposed to inventory risks.

In line with the general practice in manufacturing businesses, the Company maintains five to six months of inventory of its products to ensure sufficient supplies to meet customer orders. In recent years, the life cycle of golf clubs and golf shafts has shortened considerably due to increasing competition among manufacturers. The Company is often required to anticipate which product design will generate customer demand in advance before the retail customers or PGA players indicating a need for a particular design. The resources devoted to product development and sales and marketing may not generate material revenue for the Company, and the Company has in the past, and may in the future, to write off excess and obsolete inventory if the Company produces a product in excess of forecasted demand which does not materialize. If the Company incurs significant expenses and investments in inventory in the future that it is not able to recover through sales, its operating results could be adversely affected.

CayCo's estimates of market opportunity and forecasts of market growth may prove to be inaccurate.

From time to time, CayCo makes statements with estimates of the addressable market for its solutions and the global optical market in general. Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. This is especially so at the present time due to the uncertain and rapidly changing

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projections of the severity, magnitude and duration of the current COVID-19 pandemic. The estimates and forecasts relating to the size and expected growth of the target market, market demand and adoption, capacity to address this demand and pricing may also prove to be inaccurate. In particular, estimates regarding the current and projected market opportunity are difficult to predict. The estimated addressable market may not materialize for many years, if ever, and even if the markets meet the size estimates and growth forecasts, CayCo's business could fail to grow at similar rates.

Concentration of ownership among CayCo's existing executive officers, directors and their affiliates may prevent new investors from influencing significant corporate decisions.

Upon the consummation of the Business Combination, CayCo's directors, executive officers and their affiliates as a group will beneficially own approximately [•]% of the outstanding CayCo Ordinary Shares. As a result, these shareholders will be able to exercise a significant level of control over all matters requiring shareholder approval, including the election of directors, any amendment of the memorandum and articles of association and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control or changes in management and will make the approval of certain transactions difficult or impossible without the support of these shareholder.

The Company's insurance coverage strategy may not be adequate to protect it from all business risks.

The Company may be subject, in the ordinary course of business, to losses resulting from products liability, accidents, acts of God and other claims against the Company, for which it may have no insurance coverage. The policies that the Company does have may include significant deductibles or self-insured retentions, policy limitations and exclusions, and the Company cannot be certain that its insurance coverage will be sufficient to cover all future losses or claims against it. A loss that is uninsured or which exceeds policy limits may require the Company to pay substantial amounts, which may harm its financial condition and results of operations.

If the Company fails to retain its existing senior management team or attract qualified new personnel, such failure could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's business requires disciplined execution at all levels of its organization. This execution requires an experienced and talented management team. If the Company were to lose the benefit of the experience, efforts and abilities of key executive personnel, it could have a material adverse effect on the Company's business, financial condition and results of operations. Competition for skilled and experienced management is intense, and the Company may not be successful in attracting and retaining new qualified personnel required to grow and operate the Company's business profitably.

Investor confidence and share value may be adversely impacted if CayCo concludes that the Company's internal control over financial reporting is not effective.

Effective internal controls are necessary for CayCo to provide reliable financial reports and to help prevent fraud. Although CayCo undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under U.S. securities laws, CayCo cannot be certain that such measures will ensure that it will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm CayCo's results of operations or cause it to fail to meet its reporting obligations. If CayCo discovers a material weakness, the disclosure of that fact, even if quickly remedied, could reduce investor confidence in its consolidated financial statements and effectiveness of the Company's internal controls, which ultimately could negatively impact the market price of the Company's common shares.

CayCo will incur significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and results of operations.

CayCo will face increased legal, accounting, administrative and other costs and expenses as a public company that the Company did not incur as a private company. The Sarbanes-Oxley Act, including the

requirements of Section 404 thereof, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, PCAOB and the securities exchanges, impose additional reporting and other obligations on public companies.

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Compliance with public company requirements will increase costs and make certain activities more time-consuming. A number of those requirements require CayCo to carry out activities CayCo has not done previously. In addition, expenses associated with SEC reporting requirements will be incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if the auditors identify a significant deficiency or material weaknesses in the internal control over financial reporting), CayCo could incur additional costs to rectify those issues, and the existence of those issues could adversely affect its reputation or investor perceptions. In addition, CayCo will purchase director and officer liability insurance, which has substantial additional premiums. The additional reporting and other obligations imposed by these rules and regulations increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. Advocacy efforts by shareholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

Management estimates are subject to uncertainty.

In preparing consolidated financial statements in conformity with GAAP, estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available, or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and the Company must exercise significant judgment. Estimates may be used in management's assessment of items such as fair values, income taxes, stock-based compensation and asset retirement obligations. Actual results for all estimates could differ materially from the estimates and assumptions used by the Company, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and future prospects.

Risks Related to Company's Technology and Intellectual Property

Any legal proceedings or claims against the Company could be costly and time-consuming to defend and could harm its reputation regardless of the outcome.

The Company is and/or may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, including intellectual property, data privacy, product liability, employment, class action, whistleblower and other litigation claims, and governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, cause the Company to incur significant expenses or liability, or require the Company to change its business practices. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change, and could adversely affect the Company's financial condition and results of operations.

The Company's properties may be subject to actions and opposition by non-governmental agencies.

The Company's manufacturing and R&D facilities could be subject to physical sabotage or public opposition. Such public opposition could expose the Company to the risk of higher costs, delays or even project cancellations. The Company may not be able to satisfy the concerns of special interest groups and non-governmental organizations and attempting to address such concerns may require the Company to incur significant and unanticipated capital and operating expenditures. If any of the Company's manufacturing and R&D facilities are the subject of physical sabotage or public opposition, it may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company does not have insurance to protect against such risks.

Any failure, inadequacy, interruption, security failure or breach of the Company's information technology systems, whether owned by the Company or outsourced or managed by third parties, could harm the Company's ability to effectively operate its business and could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company relies heavily on its information technology systems for many functions across its operations, including managing the Company's supply chain and inventory, processing customer transactions in the

Company's stores, the Company's financial accounting and reporting, compensating the Company's employees and operating the Company's websites. The Company's ability to effectively manage its business and coordinate the sourcing, distribution

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and sale of its products depends significantly on the reliability and capacity of these systems. Such systems are subject to damage or interruption from power outages or damages, telecommunications problems, data corruption, software errors, network failures, security breaches, acts of war or terrorist attacks, fire, flood and natural disasters. The Company's servers could be affected by physical or electronic break-ins, and computer viruses or similar disruptions may occur. A system outage may also cause the loss of important data. The Company's existing safety systems, data backup, access protection, user management and information technology emergency planning may not be sufficient to prevent data loss or long-term network outages.

In addition, the Company may have to upgrade its existing information technology systems from time to time in order for such systems to withstand the increasing needs of its expanding business. The Company relies on certain hardware, telecommunications and software vendors to maintain and periodically upgrade many of these systems so that it can continue to support the Company's business. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt or reduce the efficiency of the Company's operations. The Company also depends on its information technology staff. If the Company cannot meet its staffing needs in this area, it may not be able to fulfill its technology initiatives while continuing to provide maintenance on existing systems.

The Company could be required to make significant capital expenditures to remediate any such failure, malfunction or breach with its information technology systems. Further, additional investment needed to upgrade and expand its information technology infrastructure would require significant investment of additional resources and capital, which may not always be available or available on favorable terms. Any material disruption or slowdown of the Company's systems, including those caused by its failure to successfully upgrade our systems, and its inability to convert to alternate systems in an efficient and timely manner could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks Related to Doing Business in Taiwan

CayCo faces substantial political risks associated with doing business in Taiwan, particularly due to the relationship between Taiwan and the PRC.

CayCo's principal executive offices and substantially all of its assets are located in Taiwan, and substantially all of its revenues are derived from its operations in Taiwan. Accordingly, CayCo's business, financial condition and results of operations and the market price of CayCo Ordinary Shares may be affected by changes in Taiwan governmental policies, taxation, inflation or interest rates and by social instability and diplomatic and social developments in or affecting Taiwan which are outside of CayCo's control. Taiwan has a unique international political status. The PRC government asserts sovereignty over the PRC and Taiwan and does not recognize the legitimacy of the government of Taiwan. The PRC government has indicated that it may use military force to gain control over Taiwan if Taiwan declares independence or if Taiwan refuses to accept the PRC's stated "One China" policy. In addition, on March 14, 2005, the National People's Congress of the PRC passed what is widely referred to as the "anti-secession" law, a law authorizing the PRC military to respond to efforts by Taiwan to seek formal independence. An increase in tensions between Taiwan and the PRC and the possibility of instability and uncertainty could adversely affect the prices of CayCo's Securities. Relations between Taiwan and the PRC and other factors affecting Taiwan's political environment could affect CayCo's business.

Any lack of requisite approvals, licenses, permits or filings or failure to comply with any requirements of Taiwan laws, regulations and policies may materially and adversely affect CayCo's daily operations.

In accordance with the relevant Taiwan laws and regulations, FST, as the wholly-owned subsidiary of CayCo after the consummation of the Business Combination is required to maintain various approvals, licenses, permits and filings to operate its business, including but not limited to business registration, factory registration, tax registration and those with respect to environment protection. The obtaining of these approvals, licenses, permits and filings are subject to satisfactory compliance with, among other things, the applicable laws and regulations. If FST is unable to obtain any of such licenses and permits or extend or renew any of its current licenses or permits upon their expirations, or if FST is required to incur significant additional costs to obtain or renew these licenses, permits and approvals, CayCo's daily operations could be materially and adversely affected.

FST is subject to restrictions on paying dividend or making other payments to CayCo, which may restrict CayCo's ability to satisfy its liquidity requirements.

As an exempted company with limited liability incorporated under the laws of the Cayman Islands structured as a holding company, after the consummation of the Business Combination, CayCo may need dividends and other distributions on equity from FST to satisfy its liquidity requirements. Current Taiwan regulations permit FST to pay dividends to their respective shareholders only out of their after-tax accumulated profits, if any, which shall first make up previous losses and set aside at least 10% of its accumulated profits each year as statutory reserve. These reserves are not distributable as cash dividends. Furthermore, if FST incurs debt on its own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to CayCo. Any limitation on the ability of FST to distribute dividends or to make payments to CayCo may restrict CayCo's ability to satisfy its liquidity requirements. In addition, the dividend payments by FST to CayCo shall be subject to the withholding tax of 21%.

FST is subject to foreign exchange control imposed by Taiwan authorities, which may affect the paying dividends, repatriating the interest or making other payments to CayCo.

Currently Taiwan regulates only those foreign exchange transactions that involve the conversion of the New Taiwan Dollar into foreign currencies. Pursuant to the relevant provisions of Taiwan Foreign Exchange Control Act, foreign exchange transactions of a value of NTD 500,000 or more shall be declared to the Central Bank of Taiwan ("Taiwan CBC"). Further, for a remittance by a company as follows, relevant testimonials shall be submitted and such remittance shall be subject to the reporting to and/pr approval of the Taiwan CBC: (i) a single remittance of an amount of U.S.\$1 million or more; or (ii) annual accumulated settlement amount of foreign exchange purchased or sold has exceeded U.S.\$50 million. Nevertheless, Taiwan government may impose further foreign exchange restrictions in certain emergency situations, where Taiwan government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in Taiwan. If the dividend payments or other payments by FST to CayCo involves the currency conversion from New Taiwan Dollar to U.S. Dollar, such conversion would be subject to the foregoing foreign exchange control imposed by Taiwan authority. Under certain circumstances as prescribed by the relevant Taiwan regulations, documentary evidence of such foreign exchange transactions shall be presented and such transactions shall be conducted at designated foreign exchange banks in Taiwan which have the licenses to carry out foreign exchange business. However, there is no assurance that these foreign exchange regulations will remain unchanged in the future. If the relevant Taiwan regulations change in the future and any required approval is not obtained, FST's ability to make payments to CayCo in foreign currency may be restricted, and CayCo's capital expenditure plans, business, operating results and financial condition may be materially and adversely affected.

Foreign exchange transactions for non-trade-related purposes or exceeding the applicable annual quota threshold would require special approval from Taiwan CBC, which will be at the discretion of and considered by Taiwan CBC on a case-by-case basis. Additionally, CayCo may provide loans to FST. If the term of the loan provided by CayCo to FST is one year or more, CayCo shall obtain prior approval from the competent authorities before the loan can be remitted into Taiwan and FST shall file a declaration of foreign debt to the competent authority when the loan is remitted into Taiwan. CayCo cannot assure you that the Taiwan government will not intervene in such transactions or impose restrictions on the ability of CayCo and its subsidiaries to transfer cash.

If FST expands into the PRC market, FST may be subject to Taiwan regulations on investment or technical cooperation in the PRC.

FST currently focuses on the U.S., Japan and Taiwan markets and may consider expanding its businesses in the PRC market in the near future. Pursuant to the Taiwan Permission Regulations for Investment or Technical Cooperation in the PRC and the Review Principles for Investments or Technical Cooperation in the PRC ("Permission Regulations"), an investment or technical cooperation made by a Taiwanese investor in the PRC is subject to the restrictions thereunder and requires the approval by the competent Taiwan authority, the Investment Commission, the Ministry of the Economic Affairs (the "Taiwan Investment Commission"). The restrictions under the Permission Regulations include a negative list in which investment or technical cooperation is prohibited as well as the maximum investment amount. FST does not believe its current operations in the PRC is restricted by the negative list. Furthermore, depending on the amount invested in the PRC, CayCo may need to obtain approval from the Taiwan Investment Commission in order to make investments in the PRC or to grant licenses to PRC entities. The Taiwan Investment Commission may at its discretion reject CayCo's application. If the Taiwan Investment Commission prevents CayCo from making investment in the PRC or granting licenses to PRC entities, CayCo may not be able to expand its business in the PRC.

Taiwanese investors holding more than 10% of CayCo Ordinary Shares will be subject to Taiwan regulations on investment or technical cooperation in the PRC for its investment or technical cooperation in the PRC.

Under the Permission Regulations, for an investment made by a Taiwanese individual or entity (“**Taiwanese Investor**”) in a “third region” company which conducts the investments or technical cooperation in the PRC defined therein and such Taiwanese Investor (i) acts as director, supervisor, manager or equivalent position or (ii) has a shareholding or capital contribution of more than 10% in such third region company, the investment in such a third region company would also be deemed a defined investment in the PRC and therefore be subject to the Permission Regulations.

Therefore, for CayCo’s future investment or technical cooperation in the PRC, CayCo’s Taiwanese shareholders holding more than 10% of CayCo Ordinary Shares or acting as director, supervisor, manager or equivalent position of CayCo will need to apply for the foreign investment approval with the competent Taiwan authority, the Taiwan Investment Commission in accordance with the Permission Regulations. There are restrictions on the investment or technical cooperation with the PRC, including, without limitation, the annual investment amount in the PRC shall be capped at U.S.\$5 million per year for Taiwan individuals or NTD 80 million or 60% of the higher of its stand-alone net worth or consolidated net worth, whichever is higher, for a Taiwan small-medium enterprise. Your indirect investment in the PRC via CayCo under the Permission Regulations will be calculated on the portion of your shareholding in CayCo. If your aggregate investments in the PRC exceed the annual ceiling amount, the Taiwan Investment Commission will reject your application for the exceeding investment in the PRC. If a Taiwanese Investor fails to obtain applicable approvals from the Taiwan Investment Commission in respect of its investment in the PRC, an administrative fine ranging NTD 50 thousand to 25 million and imprisonment may be imposed.

Risks Related to Chenghe and the Business Combination

Chenghe’s independent registered public accounting firm’s report contains an explanatory paragraph that express substantial doubt about its ability to continue as a “going concern.” Chenghe may not have sufficient funds to consummate the Business Combination.

As of December 31, 2023, Chenghe had no cash on hand and working capital deficit of \$2,116,996. Chenghe has incurred and expects to continue to incur significant costs in pursuit of its initial business combination. Chenghe cannot assure you that its plan to raise capital or to consummate an initial business combination will be successful. These factors, among others, raise substantial doubt about Chenghe’s ability to continue as a going concern. Chenghe’s financial statements contained in this Registration Statement/Proxy Statement do not include any adjustments that might be necessary, should Chenghe be unable to continue as a going concern.

If Chenghe is required to seek additional capital, it will need to borrow funds from its Sponsors, directors, officers or other third parties, or it may be forced to liquidate. None of such persons is under any obligations to advance funds to Chenghe in such circumstances. In addition, any such advances would be repaid only from the funds held outside the Trust Account or from funds released upon completion of the Business Combination. If Chenghe does not have sufficient funds available to consummate the Business Combination, it will be forced to cease operations and liquidate the Trust Account. Consequently, SPAC Public Shareholders may receive less than \$10.00 per share.

Any restatement of financial results, or the time required to evaluate possible errors, may impact the market price for SPAC Units, and SPAC’s ability to complete a Business Combination on a timely basis.

There has been recent focus on historical accounting practices by special purpose acquisition companies. For example, on April 12, 2021, the SEC Staff issued a statement which resulted in a determination that the warrants and other related instruments issued by many special purpose acquisition companies, including the SPAC, should be classified as liabilities rather than equity. Further guidance from the SEC or industry-wide consensus could result in additional changes in the accounting treatment related to special purpose acquisition companies. Changes could result in the identification of accounting errors in SPAC’s previously issued financial statements, restatements of SPAC’s previously issued financial statements, the filing of notices that previously issued financial statements may not be relied upon, and findings of material weaknesses and significant deficiencies in internal controls over financial reporting. In addition, changes in accounting treatment, or the time required to evaluate any such changes, could delay SPAC’s ability to consummate an initial business combination or otherwise have a material adverse effect on SPAC’s ability to consummate the Business Combination with the Company, or another business combination.

SPAC has identified material weaknesses in its internal control over financial reporting as of December 31, 2023. If SPAC is unable to develop and maintain an effective system of internal control over financial reporting, SPAC may not be able to accurately report its financial results in a timely manner, which may adversely affect investor confidence in SPAC and materially and adversely affect its business and operating results.

The management of SPAC is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. The management of SPAC is likewise required, on a quarterly basis, to evaluate the effectiveness of its internal controls and to disclose any changes and material weaknesses identified through such evaluation of those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of its annual or interim financial statements will not be prevented or detected on a timely basis.

As disclosed in a Current Report on Form 8-K filed by SPAC with the SEC on March 4, 2024, SPAC dismissed Marcum LLP as the independent registered accounting firm of SPAC on February 27, 2024. Marcum LLP advised SPAC and the management of SPAC concurred that, as of September 30, 2023, four material weaknesses in internal control over financial reporting existed and such material weaknesses are considered not remedied as of December 31, 2023, as further described in “Item 9A — Controls and Procedures.”

In light of these material weaknesses, SPAC has enhanced its processes to identify and appropriately apply applicable accounting requirements to better evaluate and understand the nuances of the complex accounting standards that apply to its financial statements including making greater use of third-party professionals with whom we consult regarding complex accounting applications. The elements of the SPAC’s remediation plan can only be accomplished over time, and SPAC can offer no assurance that these initiatives will ultimately have the intended effects. SPAC believes its efforts will enhance its controls relating to accounting for and disclosure of complex financial instruments in the proper period, but SPAC can offer no assurance that its controls will not require additional review and modification in the future as industry accounting practice may evolve over time.

If SPAC is unable to remediate its material weakness in a timely manner or its identify additional material weaknesses, SPAC may be unable to provide required financial information in a timely and reliable manner and SPAC may incorrectly report financial information. Likewise, if its financial statements are not filed on a timely basis, SPAC could be subject to sanctions or investigations by the stock exchange on which its Class A Ordinary Shares is listed, the SEC or other regulatory authorities, which could result in a material adverse effect on its business. The existence of material weaknesses or significant deficiencies in internal control over financial reporting could adversely affect the SPAC’s reputation or its investor perceptions, which could have a negative effect on the trading price of its stock.

SPAC can give no assurance that the measures it has taken and plan to take in the future will remediate the material weaknesses identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if SPAC is successful in strengthening its controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of its financial statements.

The Business Combination may be delayed or terminated if the Department of Investment Review under the Ministry of Economic Affairs of Taiwan fails to grant the relevant Taiwan DIR Approval timely or at all.

Since CayCo’s jurisdiction is outside of Taiwan, in order to consummate the FST Restructuring portion of the Business Combination Agreement, CayCo must apply to and receive approval for the FST Restructuring from the DIR, in accordance with Taiwan’s Statute for Investment by Overseas Chinese or Statute for Investment by Foreign Nationals. Pursuant to the Business Combination Agreement, FST Parties shall each use their respective best efforts to obtain the Phase I DIR Approval as promptly and as legally feasible and reasonably practicable, and FST Parties shall as promptly as possible but in any event no later than thirty (30) Business Days after termination of FST’s Taiwan Public Company status, file or submit all necessary submissions, notifications, filings and applications in connection with the Phase II DIR Approval. The DIR has the discretion to delay or deny its approval of any application. In the event that DIR fails to grant the relevant Taiwan DIR Approval, Chenghe may choose to terminate the Business Combination. Thus, the Transactions contemplated under the Business Combination Agreement could be delayed or terminated if the DIR does not timely approve CayCo’s application.

Pursuant to the Business Combination Agreement, the obligations of Chenghe to consummate, or cause to be consummated the Business Combination is subject to certain Closing Conditions, including CayCo acquiring at least 90% of the Aggregate Fully Diluted Company Shares after the FST Restructuring Closing, which may be waived by Chenghe at its discretion. There is no assurance that CayCo will be able to acquire a sufficient number of Company Common Shares on commercially acceptable terms or at all. If CayCo fails to acquire a sufficient number of Company Common Shares to fulfill the closing condition in a timely manner or at all, Chenghe may choose to terminate the Business Combination or waive the compliance of such closing condition. Therefore, the Business Combination could be delayed or terminated if CayCo fails to acquire 90% of the Aggregate Fully Diluted Company Shares.

Chenghe and FST may not be able to obtain Transaction Financing in connection with the Business Combination.

FST and Chenghe may not be able to obtain Transaction Financing on terms acceptable to FST and Chenghe, or at all. If FST and Chenghe do not obtain Transaction Financing, the parties may not be able to consummate the Business Combination or certain other transactions contemplated by the Business Combination Agreement. The terms of any Transaction Financing may be onerous to FST, and FST may not be able to obtain alternative financing on terms that are acceptable to it, or at all. The failure to secure Transaction Financing could impede the ability to consummate the Business Combination and/or harm the continued development or growth of FST following the Closing. None of FST's officers, directors or shareholders is required to provide any financing to FST in connection with or after the consummation of the Business Combination.

Because FST is not conducting an underwritten offering of its securities, no underwriter has conducted due diligence of FST's business, operations or financial condition or reviewed the disclosure in this Registration Statement/Proxy Statement.

Section 11 of the Securities Act ("Section 11") imposes liability on parties, including underwriters, involved in a securities offering if the registration statement contains a materially false statement or material omission. To effectively establish a due diligence defense against a cause of action brought pursuant to Section 11, a defendant, including an underwriter, carries the burden of proof to demonstrate that such defendant, after reasonable investigation, believed that the statements in the registration statement were true and free of material omissions. In order to meet this burden of proof, underwriters in a registered offering typically conduct extensive due diligence of the registrant and vet the registrant's disclosure. Such due diligence may include calls with the issuer's management, review of material agreements, and background checks on key personnel, among other investigations.

Because FST intends to become publicly traded through a business combination with a special purpose acquisition company rather than through an underwritten offering of its ordinary shares, no underwriter is involved in the Business Combination. As a result, no underwriter has conducted due diligence on FST in order to establish a due diligence defense with respect to the disclosure presented in this Registration Statement/Proxy Statement. If such investigation had occurred, certain information in this Registration Statement/Proxy Statement may have been presented in a different manner or additional information may have been presented at the request of such underwriter.

In addition, going public via a business combination with a special purpose acquisition company does not involve a book-building process as is the case in an underwritten public offering. In any underwritten public offering, the initial value of a company is set by investors who indicate the price at which they are prepared to purchase shares from the underwriters. In the case of a special purpose acquisition company transaction, the value of the company is established by means of negotiations between the target company, the special purpose acquisition company and, in some cases, "PIPE" investors who agree to purchase shares at the time of the business combination. The process of establishing the value of a company in a special purpose acquisition company business combination may be less effective than the bookbuilding process in an underwritten public offering and also does not reflect events that may have occurred between the interim period. In addition, underwritten public offerings are frequently oversubscribed resulting in additional potential demand for shares in the aftermarket following the underwritten public offering. There is no such book of demand built up in connection with special purpose acquisition company transaction and no underwriters with the responsibility of stabilizing the share price which may result in the share price being harder to sustain after the transaction.

The Business Combination remains subject to conditions that Chenghe cannot control, and if such conditions are not satisfied or otherwise waived, the Business Combination may not be consummated.

The Business Combination is subject to a number of Closing Conditions, including but not limited to (i) the accuracy of representations and warranties of Chenghe and FST in the Business Combination Agreement to

various standards; (ii) material compliance with pre-closing covenants; (iii) no material adverse effect for FST; (iv) the Company Acquisition Percentage reaching at least 90%; (v) the consummation of the FST Restructuring; (vi) the delivery of customary closing certificates; (vii) the receipt of Taiwan DIR Approval and such approval being effective; (viii) the absence of a legal prohibition on consummating the transactions, (ix) approval by the SPAC's and the Company's shareholders, (x) approval of a listing application on the applicable Stock Exchange for newly issued shares, and (xi) SPAC having at least U.S.\$5,000,001 of net tangible assets remaining after redemption. There is no assurance that all Closing Conditions will be satisfied or waived or that the conditions will be satisfied or waived in the expected time frame. If the Closing Conditions are not satisfied (and are not waived, to the extent available), either FST or Chenghe may, subject to the terms and conditions of the Business Combination Agreement, terminate the Business Combination Agreement. See the section of this Registration Statement/Proxy Statement titled "*The Business Combination Agreement and Ancillary Documents — Termination.*"

Chenghe may be subject to securities class action and derivative lawsuits, which could result in substantial costs and may delay or prevent the Business Combination from being completed.

Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into agreements similar to the Business Combination Agreement or similar agreements. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on Chenghe's liquidity and financial condition. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting the consummation of the Business Combination, that injunction may delay or prevent the Business Combination from being completed. Currently, Chenghe is not aware of any securities class action lawsuits or derivative lawsuits being filed in connection with the Business Combination.

If Chenghe is unable to complete the Business Combination or another business combination by the Extended Deadline, and it is unable, or elect not, to seek an extension of such time period, it will cease all operations except for the purpose of winding up, redeeming 100% of the issued and outstanding Public Shares and, subject to the approval of its remaining shareholders and Chenghe Board, liquidating and dissolving. In such event, Public Shareholders may only receive \$10.20 per share (or less than such amount in certain circumstances).

If Chenghe is unable to complete the Business Combination or another business combination within the required time period and it is unable, or elect not, to seek another extension of such time period, it will cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible but not more than ten (10) Business Days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then issued and outstanding Public Shares, which redemption will completely extinguish Public Shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any); and (iii) as promptly as reasonably possible following such redemption, subject to the approval of remaining shareholders and Chenghe Board, liquidate and dissolve, subject in each case to its obligations under Cayman Islands law to provide for claims of creditors and other requirements of applicable law. In such case, Public Shareholders may only receive \$10.20 per share (or less than \$10.20 per share in certain circumstances where a third party brings a claim against Chenghe that the Sponsors are unable to indemnify (as described herein)), and SPAC Warrants will expire worthless.

In addition, Chenghe cannot assure you that it will properly assess all claims that may be potentially brought against it. As a result, its shareholders could potentially be liable for any claims to the extent of distributions received by them (but no more). Accordingly, Chenghe cannot assure you that third parties will not seek to recover from Chenghe Shareholders amounts owed to them by Chenghe.

If the Business Combination is not completed, potential target businesses may have leverage over Chenghe in negotiating a business combination; Chenghe's ability to conduct due diligence on a business combination as it approaches the Extended Deadline may decrease; and Chenghe may have insufficient working capital to continue to pursue potential target businesses, each of which could undermine Chenghe's ability to complete a business combination on terms that would produce value for its shareholders.

Any potential target business with which Chenghe enters into negotiations concerning an initial business combination will be aware that it must complete an initial business combination by the Extended Deadline, unless it amends Chenghe Articles to further extend the time to consummate an initial business combination. Consequently, if Chenghe is unable to complete this Business Combination, a potential target business may obtain

leverage over it in negotiating an initial business combination. This risk will increase as Chenghe gets closer to the time frame described above. In addition, Chenghe may have limited time to conduct due diligence and may enter into an initial business combination on terms that it would have rejected upon a more comprehensive investigation. Additionally, Chenghe may have insufficient working capital to continue the efforts to pursue a business combination. See “— *Chenghe’s independent registered public accounting firm’s report contains an explanatory paragraph that express substantial doubt about its ability to continue as a “going concern.” Chenghe may not have sufficient funds to consummate the Business Combination.*”

If third parties bring claims against Chenghe, the proceeds held in the Trust Account could be reduced and the per-share redemption or liquidation amount received by Chenghe Shareholders may be less than \$10.20 per share.

Chenghe’s placing of funds in the Trust Account may not protect those funds from third-party claims against it. Although Chenghe has obtained waiver agreements from certain vendors, service providers and prospective target businesses whereby such parties have waived any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, there is no guarantee that they or other parties who did not execute such waivers will not seek recourse against the Trust Account. Furthermore, there is no guarantee that a court will uphold the validity of such agreements. Accordingly, the proceeds held in the Trust Account could be subject to claims that could take priority over those of SPAC Public Shareholders. Consequently, you may receive less than \$10.20 per share in connection with any redemption of your Public Shares.

In the event of the liquidation of the Trust Account upon the failure to consummate an initial business combination by the Extended Deadline, the Sponsors have agreed to indemnify and hold harmless Chenghe against any and all loss, liability, claim, damage and expense whatsoever to which Chenghe may become subject as a result of any claim by (i) any third party for services rendered or products sold to Chenghe or (ii) any prospective target business with which Chenghe has entered into a written letter of intent, confidentiality or other similar agreement or merger agreement to the extent necessary to ensure that such claims by a third party or the target do not reduce the amount of funds in the Trust Account to below the lesser of (a) \$10.20 per Public Share and (b) the actual amount per share held in the Trust Account as of the date of the liquidation due to reductions in the value of the trust assets, less taxes payable, provided that such indemnification will not apply to any claims by a third party that executed a waiver of any and all rights to seek access to the Trust Account, nor will it apply to any claims under indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act. However, Chenghe has not independently verified whether the Sponsors have sufficient funds to satisfy their indemnity obligations and has not asked the Sponsors to reserve for such indemnification obligations. Therefore, Chenghe cannot assure you that its Sponsors would be able to satisfy those obligations. If the Sponsors are unable to satisfy their obligations or assert that they have no indemnification obligations related to a particular claim, Chenghe independent directors would determine whether to take legal action against the Sponsors to enforce their indemnification obligations. While Chenghe currently expects that its independent directors would take legal action on its behalf against the Sponsors to enforce their indemnification obligations to Chenghe, it is possible that Chenghe’s independent directors, in exercising their fiduciary duties, may choose not to do so in any particular instance. As a result, if any such claims were successfully made against the Trust Account, the funds available for Chenghe’s business combination and redemptions could be reduced to less than \$10.20 per Public Share. In such event, you would receive such lesser amount per share.

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If, before distributing the proceeds in the Trust Account to its Public Shareholders, Chenghe files a bankruptcy or insolvency petition or an involuntary bankruptcy or insolvency petition is filed against it that is not dismissed, the per-share amount that would otherwise be received by Chenghe Shareholders in connection with Chenghe’s liquidation may be reduced.

If, before distributing the proceeds in the Trust Account to Public Shareholders, Chenghe files a bankruptcy or insolvency petition or an involuntary bankruptcy or insolvency petition is filed against it that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy or insolvency law, and may be included in its bankruptcy or insolvency estate and subject to the claims of third parties with priority over the claims of its shareholders. To the extent any bankruptcy or insolvency claims deplete the Trust Account, the per-share amount that would otherwise be received by Chenghe Shareholders in connection with Chenghe’s liquidation may be reduced.

Additionally, if Chenghe is forced to file a bankruptcy or insolvency petition or an involuntary bankruptcy or insolvency petition is filed against it that is not dismissed, any distributions received by Chenghe’s shareholders could be viewed under applicable debtor/creditor and/or bankruptcy and/or insolvency laws as either a “preferential transfer” or a “fraudulent conveyance.” As a result, a bankruptcy or insolvency court could seek to recover all amounts received by Chenghe’s shareholders. Because Chenghe intends to distribute the proceeds held

in the Trust Account to Public Shareholders promptly after the expiration of the time period to complete a business combination, this may be viewed or interpreted as giving preference to Public Shareholders over any potential creditors with respect to access to or distributions from Chenghe's assets. Furthermore, Chenghe Board may be viewed as having breached its fiduciary duties to Chenghe's creditors and/or as having acted in bad faith by paying Public Shareholders from the Trust Account prior to addressing the claims of creditors, thereby exposing itself and Chenghe to claims of punitive damages. Chenghe cannot assure you that claims will not be brought against it for these reasons.

Chenghe's Sponsors, directors and officers have interests in the Business Combination that are different from, or are in addition to, the interests of other Public Shareholders in recommending that shareholders vote in favor of approval of the Business Combination Proposal and approval of the other proposals described in this Registration Statement/Proxy Statement.

When considering Chenghe Board's recommendation that Chenghe's shareholders vote in favor of the approval of the Business Combination Proposal, shareholders should be aware that the Sponsors, Chenghe's directors and officers have interests in the Business Combination that are different from, or in addition to, the interests of the shareholders, which could cause them to benefit from and incentivize them to pursue a business combination with a less favorable target company or on terms less favorable to non-redeeming shareholders rather than liquidate, subject always to their fiduciary duties under Cayman Islands law. Chenghe directors were aware of and considered these interests, among other matters, in evaluating the Business Combination and did not believe that such interests would preclude them from approving the Business Combination or from recommending the Business Combination to shareholders, considering that these interests would be disclosed in this Registration Statement/Proxy Statement. Shareholders should take these interests into account in deciding whether to approve the Business Combination. These interests include, among other things:

- the fact that the Old SPAC Sponsor paid an aggregate of \$25,000 for 3,250,000 Founder Shares, which will have a significantly higher value at the time of the Business Combination but will become worthless if a business combination is not consummated by the Extended Deadline. Based on the average of the high (\$[•]) and low (\$[•]) prices for the SPAC Class A Ordinary Shares on Nasdaq on [•], 20[•], after giving effect to the Sponsor Sale, the value of the Founder Shares held by the Old SPAC Sponsor would be \$[•];
- the fact that the Old SPAC Sponsor paid an aggregate of approximately \$7,900,000 for its 7,900,000 SPAC Private Placement Warrants to purchase SPAC Class A Ordinary Shares and that such SPAC Private Placement Warrants will expire worthless if a business combination is not consummated by the Extended Deadline;
- the fact that the New SPAC Sponsor entered into the Sponsor Sale SPA with the Old SPAC Sponsor for the acquisition of an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor for an aggregate purchase price of \$1.00 \$450,000 extension contribution payment incurred prior to the date of the Sponsor Sale SPA and other extension payments that may become due after the Sponsor Sale, and in accordance with the terms of the

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Trust Agreement. Based on the closing price for the Public Shares of \$[•] on the Nasdaq on [•], 20[•], the value of the Founder Shares held by the New SPAC Sponsor would be \$[•], and the value of the Converted SPAC Public Shares held by the New SPAC Sponsor would be \$[•];

- the fact that the Sponsors are anticipated to hold 18.10% of issued and outstanding shares of CayCo immediately following the Business Combination (assuming no redemptions of holders of SPAC Class A Ordinary Shares and the exercise of SPAC Private Placement Warrants);
- the fact that given the differential in the purchase price that the Sponsors paid for the SPAC Class B Ordinary Shares and the purchase price that the Sponsors paid for the SPAC Private Placement Warrants as compared to the price of the SPAC Class A Ordinary Shares and SPAC Public Warrants and the substantial number of SPAC Class A Ordinary Shares that the Sponsors will receive upon conversion of the SPAC Class B Ordinary Shares and (as applicable) SPAC Private Placement Warrants, the Sponsors can earn a positive return on their investment, even if holders of SPAC Class A Ordinary Shares have a negative return on their investment;
- the fact that the Sponsors have agreed not to redeem any SPAC Ordinary Shares held by them in connection with the shareholder vote to approve a proposed initial business combination pursuant to the SPAC IPO Letter Agreement;
- the fact that the Sponsors will lose their entire investment in SPAC if an initial business combination

is not consummated by the Extended Deadline Date. The Sponsors, SPAC's directors and officers, and their respective affiliates have not incurred any out-of-pocket fees and expenses in relation to the initial business combination since the SPAC IPO, except that, on October 25, 2023, SPAC issued the October 2023 Note to the New SPAC Sponsor, for a principal amount of up to \$1,960,000. SPAC may further draw down up to \$960,000 under the October 2023 Note to pay the Contributions, and up to \$519,400 for general corporate purposes. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. As of the date hereof, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note;

- the fact that the Sponsors have agreed to waive their rights to liquidating distributions from the Trust Account with respect to SPAC Class B Ordinary Shares held by them if SPAC fails to complete an initial business combination by the Extended Deadline;
- the fact that the Sponsors, SPAC's directors and officers, and their respective affiliates are entitled to reimbursement of reasonable out-of-pocket expenses incurred by them in connection with certain activities on SPAC's behalf, such as identifying and investing possible business targets and business combinations. However, if SPAC fails to consummate a business combination within the required period, they will not have any claim against the Trust Account for reimbursement. Accordingly, SPAC may not be able to reimburse these expenses if the Business Combination or another business combination is not completed by the Extended Deadline;
- the right of the Sponsors to hold the CayCo Ordinary Shares and CayCo Warrants following the Business Combination, subject to certain lock-up periods;
- in the event of the liquidation of the Trust Account upon the failure of SPAC to consummate a business combination by the Extended Deadline, the Sponsors have agreed to indemnify SPAC to ensure that the proceeds in the Trust Account are not reduced below \$10.20 per SPAC Class A Ordinary Share, or such lesser per-public share amount as is in the Trust Account on the liquidation date, by the claims of prospective target businesses with which SPAC has entered into a written letter of intent, confidentiality or other similar agreement or claims of any third party (other than its independent public accountants) for services rendered or products sold to SPAC, provided that such indemnification will not apply to any claims by a third party that executed a waiver of any and all rights to seek access to the Trust Account, nor will it apply to any claims under indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act;

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- the Sponsors (including its representatives and affiliates) and SPAC's officers and directors are, or in the future may become, affiliated with entities that are engaged in similar business to SPAC. For example, the New SPAC Sponsor is controlled by Mr. Richard Qi Li, who also served as a director and the chief executive officer of HH&L Acquisition Co., a NYSE-listed special purpose acquisition company, and as chairman of the board of Chenghe Acquisition Co., a Nasdaq-listed special purpose acquisition company. The chief executive officer and chief financial officer of SPAC, Ms. Zhiyang Zhou, also served as chief financial officer of Chenghe Acquisition Co. The chairman of SPAC Board, Dr. Shibin Wang, served as chief executive officer of Chenghe Acquisition Co. The Sponsors and SPAC's officers and directors are not prohibited from sponsoring, or otherwise becoming involved with, another blank check company prior to SPAC completing its initial business combination. SPAC's officers and directors may become aware of business opportunities which may be appropriate for presentation to SPAC, and the other entities to which they owe certain fiduciary or contractual duties. Accordingly, they may have had conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in SPAC's favor and such potential business opportunities may be presented to other entities prior to their presentation to SPAC, subject to applicable fiduciary duties under Cayman Islands law. SPAC MAA provide that SPAC renounces its interest in any corporate opportunity offered to any officer or director of SPAC. This waiver allows SPAC's officers and directors to allocate opportunities based on a combination of the objectives and fundraising needs of the target, as well as the investment objectives of the entity. SPAC does not believe that the waiver of the corporate opportunities doctrine otherwise had a material impact on its search for an acquisition target;
- the fact that the Business Combination Agreement provides for the continued indemnification of SPAC's existing directors and officers and the continuation of the directors' and officers' liability insurance after the Business Combination; and
- the fact that SPAC has entered into a registration rights agreement with the Sponsors, which provides for customary registration rights to them and their permitted transferees.

The personal and financial interests of the Sponsors, SPAC's directors and officers may have influenced their motivations in identifying and selecting FST and completing a business combination with FST, and may influence the operation of the Post-Closing Company following the Business Combination by some of them.

The exercise of discretion by Chenghe's directors and officers in agreeing to changes to the terms of or waivers of the Closing Conditions may result in a conflict of interest when determining whether such changes to the terms of the Business Combination Agreement or waivers of conditions are appropriate and in the best interests of Chenghe Shareholders.

In the period leading up to the Closing, events may occur that would require Chenghe to agree to amend the Business Combination Agreement, to consent to certain actions taken by CayCo and/or FST or to waive rights that Chenghe is entitled to under the Business Combination Agreement. Such events could arise because of changes in the course of FST's business, a request by FST and/or CayCo to undertake actions that would otherwise be prohibited by the terms of the Business Combination Agreement or the occurrence of other events that would have a material adverse effect on FST's business and would entitle Chenghe to terminate the Business Combination Agreement. Chenghe may also agree to waive, in whole or in part, one or more of the conditions to its obligations to complete the Business Combination, to the extent permitted by Chenghe Articles. In any of such circumstances, it would be in the discretion of Chenghe, acting through Chenghe Board, to grant its consent or waive its rights. The existence of the financial and personal interests of the directors described elsewhere in this Registration Statement/Proxy Statement may result in a conflict of interest on the part of one or more of the directors between what he or she may believe is best for Chenghe and its shareholders and what he or she may believe is best for himself or herself or his or her affiliates in determining whether or not to take the requested action, subject always to their fiduciary duties under Cayman Islands law. As of the date of this Registration Statement/Proxy Statement, Chenghe does not believe there will be any changes or waivers that its directors and officers would be likely to make after shareholder approval of the Business Combination has been obtained. While certain changes could be made without further shareholder approval, if there were a change to the terms of the Business Combination that would have a material impact on the shareholders, a new or amended proxy statement or supplement thereto will be required to be circulated and Chenghe will need to resolicit the vote of its shareholders with respect to the Business Combination Proposal.

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Chenghe Board did not obtain a third-party fairness opinion in determining whether or not to proceed with the Business Combination.

Chenghe Board did not obtain a third-party fairness opinion in connection with its determination to approve the Business Combination. In analyzing the Business Combination, Chenghe Board and the management conducted due diligence on Chenghe and researched the industry in which FST operates and concluded that the Business Combination was fair to and in the best interests of its shareholders. Accordingly, investors will be relying solely on the judgment of Chenghe Board and the management in valuing FST's business, and Chenghe Board and the management may not have properly valued such business. The lack of a third-party fairness opinion may lead an increased number of Chenghe's shareholders to vote against the proposed Business Combination or demand redemption of their Public Shares for cash, which could potentially impact Chenghe's ability to consummate the Business Combination or materially and adversely affect the liquidity of the Post-Closing Company.

The Business Combination may be completed, even though material adverse effects may result from the announcement of the Business Combination, industry-wide changes and other causes.

In general, Chenghe may refuse to complete the Business Combination if certain types of changes or conditions that constitute a material adverse effect on the business, assets, results of operations or condition of the Group occur between the signing date of the Business Combination Agreement and the planned Closing. However, Chenghe may waive the occurrence of a material adverse effect affecting FST and consummate the Business Combination despite the occurrence of such event. If a material adverse effect affecting FST occurs and the parties still consummate the Business Combination, the market trading price of the Post-Closing Company's securities may suffer.

Delays in completing the Business Combination may substantially reduce the expected benefits of the Business Combination.

Satisfying the conditions to, and completion of, the Business Combination may take longer than, and could cost more than, Chenghe expects. Any delay in completing or any additional conditions imposed in order to complete the Business Combination may materially and adversely affect the benefits that Chenghe expects to achieve from the Business Combination.

Chenghe’s Sponsors, directors or officers, FST or their respective affiliates may elect to purchase shares or SPAC Public Warrants from Public Shareholders, which could have a depressive effect on Chenghe’s securities.

Subject to Rule 14e-5 of the Exchange Act, at any time prior to the Extraordinary General Meeting, during a period when they are not then aware of any material nonpublic information regarding Chenghe or its securities or otherwise, Chenghe’s Sponsors, directors or officers, FST or their respective affiliates may purchase SPAC Class A Ordinary Shares or SPAC Public Warrants in privately negotiated transactions or in the open market, although they are under no obligation to do so. Such a purchase of SPAC Class A Ordinary Shares may include a contractual acknowledgment that such shareholder, although still the record holder of Chenghe’s shares, is no longer the beneficial owner thereof and therefore agrees not to exercise its redemption rights. Such a purchase of SPAC Class A Ordinary Shares will be made at a price per share no higher than the per share redemption price offered to Public Shareholders through the redemption process. The purpose of such purchases and other transactions would be to minimize redemptions of SPAC Public Shares and to ensure that Chenghe has in excess of \$5,000,001 of net tangible assets, which is a Closing Condition under the Business Combination Agreement, if it appears that such requirement would otherwise not be met. Any SPAC Public Shares so purchased by Chenghe’s Sponsors, directors or officers, FST or their respective affiliates will not be voted in favor of the Business Combination Proposal and other proposals. None of Chenghe’s Sponsors, directors or officers, FST or their respective affiliates may make any such purchases when they are in possession of any material nonpublic information not disclosed to the seller or during a restricted period under Regulation M under the Exchange Act. If any purchases was made, Chenghe will disclose in a Form 8-K, prior to the date of the Extraordinary General Meeting, (i) the amount of SPAC Class A Ordinary Shares so purchased by Chenghe’s Sponsors, directors or officers, FST, or their respective affiliates, along with the purchase price; (ii) the purpose of such purchases; (iii) the impact, if any, of such purchases by Chenghe’s Sponsors, directors and officers, FST and their respectively affiliates on the likelihood that the Business Combination will be approved; (iv) the identities of Public Shareholders who sold to Chenghe’s Sponsors, directors or officers, FST or their respectively affiliates (if not purchased on the open market) or the nature of Public Shareholders (e.g. holders of 5% SPAC Class A Ordinary Shares or more) who sold to Chenghe’s Sponsors, directors or officers, FST or their respectively affiliates;

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and (v) the number of SPAC Class A Ordinary Shares for which Chenghe has received redemption request pursuant to its redemption offer. For more discussion on the purchase of SPAC Class A Shares by Chenghe’s Sponsors, directors or officers, or their respective affiliates, see “*Business of SPAC and Certain Information About SPAC — Shareholder Approval of the Business Combination.*” Entering into any such arrangements may have a depressive effect on the SPAC Class A Ordinary Shares. For example, as a result of these arrangements, an investor or holder may have the ability to effectively purchase SPAC Class A Ordinary Shares at a price lower than market and may therefore be more likely to sell the SPAC Class A Ordinary Shares he owns prior to the Extraordinary General Meeting. As of the date of this Registration Statement/Proxy Statement, none of Chenghe’s Sponsors, directors or officers, FST or their respectively affiliates has made any purchase of SPAC Class A Ordinary Shares, and neither of Chenghe or FST is aware of any intention to make any such purchase.

Because Chenghe and CayCo are incorporated under the laws of the Cayman Islands, you may face difficulties in protecting your interests, including in the event the Business Combination is not completed, and your ability to protect your rights through the U.S. federal courts may be limited.

Both Chenghe and CayCo are exempted companies incorporated under the laws of the Cayman Islands. As a result, it may be difficult for investors to effect service of process within the United States upon Chenghe’s and/or CayCo’s directors or officers, or to enforce judgments obtained in the United States courts against Chenghe’s and/or CayCo’s directors or officers.

The corporate affairs of both Chenghe and CayCo are governed by their respective memorandum and articles of association, the Cayman Companies Act and the common law of the Cayman Islands. Chenghe is also subject to the federal securities laws of the United States. The rights of the Chenghe’s shareholders to take action against Chenghe’s directors or the rights of CayCo’s shareholders to take action against CayCo’s directors, actions by minority Chenghe’s or CayCo’s shareholders and the fiduciary duties of Chenghe’s directors to Chenghe’s shareholders or CayCo’s directors to CayCo’s shareholders under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, the decisions of whose courts are of persuasive authority but are not binding on a court in the Cayman Islands. The rights of Chenghe’s or CayCo’s shareholders and the fiduciary duties of Chenghe’s or CayCo’s directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws

than to the United States, and certain states, such as Delaware, may have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Chenghe has been advised by Maples and Calder (Hong Kong) LLP, Chenghe's Cayman Islands legal counsel, that there is uncertainty as to whether the courts of the Cayman Islands would, respectively, (1) recognize or enforce judgments of United States courts obtained against Chenghe or its directors or officers predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state in the United States or (2) entertain original actions brought in the Cayman Islands against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States. Chenghe has been advised by Maples and Calder (Hong Kong) LLP that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any reexamination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay a liquidated sum for which judgment has been given, provided such judgment (a) is given by a foreign court of competent jurisdiction, (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (c) is final and conclusive, (d) is not in respect of taxes, a fine or a penalty, and (e) is not impeachable on the grounds of fraud and was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

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Shareholders of Cayman Islands exempted companies have no general rights under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than the memorandum and articles of association and any special resolutions passed by such companies, and the register of mortgages and charges of such companies) or to obtain copies of lists of shareholders of these companies. Chenghe's or CayCo's directors have discretion under their respective amended and restated memorandum and articles of association to determine whether or not, and under what conditions, their respective corporate records may be inspected by their shareholders, but are not obliged to make them available to their shareholders. This may make it more difficult for Chenghe's shareholders and shareholders of CayCo to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, Chenghe's shareholders and shareholders of CayCo may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a corporation incorporated in the United States.

Certain judgments obtained against Chenghe and CayCo by Chenghe's shareholders and shareholders of CayCo may not be enforceable.

Each of Chenghe and CayCo is a Cayman Islands exempted company and substantially all of their respective assets are located outside of the United States. In addition, most of their respective current directors and officers are nationals and residents of countries other than the United States. As a result, it may be difficult or impossible for Chenghe's shareholders and shareholders of CayCo to bring an action against Chenghe and CayCo (as the case may be) or against these individuals in the United States in the event that they believe that their rights have been infringed under the U.S. federal securities laws or otherwise. Even if they are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render them unable to enforce a judgment against Chenghe's or CayCo's assets or the assets of their respective directors and officers.

Future resales of the CayCo Ordinary Shares issued in connection with the Business Combination may cause the market price of the CayCo Ordinary Shares to drop significantly, even if CayCo's business is doing well.

Certain shareholders of FST and the Sponsors have entered into support agreements with CayCo, FST and Chenghe. Pursuant to such support agreements, such FST shareholders and the Sponsors have agreed that, during the applicable lock-up period, they will not, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares, or any options or warrants to purchase any share or any securities convertible into, exchangeable for or that represent the right to receive shares, or any

interest in any of the foregoing, whether now owned or hereinafter acquired, owned directly by such shareholder (including holding as a custodian) or with respect to which such shareholder has beneficial ownership within the rules and regulations of the SEC (in each case, subject to certain exceptions set forth in the applicable agreement). See the section of this Registration Statement/Proxy Statement titled “*The Business Combination Agreement and Ancillary Documents — Agreements Entered Into in Connection with the Business Combination — Lock-Up Agreement.*”

Further, concurrently with the closing of the Transactions under the Business Combination Agreement, CayCo, the New SPAC Sponsor and certain FST shareholders will enter into an investors rights agreement that will provide the New SPAC Sponsor and the other parties thereto with customary demand registration rights and piggy-back registration rights with respect to registration statements filed by CayCo after the Closing. See the section of this Registration Statement/Proxy Statement titled “*The Business Combination Agreement and Ancillary Documents — Agreements Entered Into in Connection with the Business Combination — Investor Rights Agreement.*”

Upon expiration of the applicable lock-up period and upon the effectiveness of any registration statement that CayCo files pursuant to the above-referenced registration rights agreement, in a registered offering of securities pursuant to the Securities Act or otherwise in accordance with Rule 144 under the Securities Act (subject to the satisfaction of certain conditions for Rule 144 to be available for CayCo), the CayCo shareholders may sell large amounts of CayCo Ordinary Shares in the open market or in privately negotiated transactions, which could have the effect of increasing the volatility in the trading price of the CayCo Ordinary Shares or putting significant downward pressure on the price of the CayCo Ordinary Shares. Further, sales of CayCo Ordinary Shares upon expiration of the applicable lock-up period could encourage short sales by market participants. Generally, short selling means selling a security, contract or commodity not owned by the seller. The seller is committed to eventually purchase the financial instrument previously sold. Short sales are used to capitalize on an expected decline in the security’s price. Short sales of CayCo Ordinary Shares could have a tendency to depress the price of the CayCo Ordinary Shares, which could increase the potential for short sales.

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Chenghe cannot predict the size of future issuances of CayCo Ordinary Shares or the effect, if any, that future issuances and sales of shares of CayCo Ordinary Shares will have on the market price of the CayCo Ordinary Shares. Sales of substantial amounts of CayCo Ordinary Shares (including those shares issued in connection with the Business Combination), or the perception that such sales could occur, may materially and adversely affect prevailing market prices of CayCo Ordinary Shares.

Chenghe and FST will incur significant transaction and transition costs in connection with the Business Combination.

Chenghe and FST have both incurred and expect to incur significant non-recurring costs in connection with consummating the Transactions and operating as a public company following the consummation of the Transactions. FST may also incur additional costs to retain key employees. All expenses incurred in connection with the Transactions, including all legal, accounting, consulting, investment banking and other fees, expenses and costs, will be for the account of the party incurring such fees, expenses and costs or allocated between Chenghe and FST pursuant to the Business Combination Agreement and the Ancillary Documents.

Subsequent to the completion of the Business Combination, the Post-Closing Company may be required to take write-downs or write-offs, restructure its operations and incur impairment or other charges that could have a significant negative effect on its financial condition, results of operations and the Post-Closing Company’s share price, which could cause you to lose some or all of your investment.

Although Chenghe has conducted extensive due diligence on FST, Chenghe cannot assure you that this diligence will surface all material issues that may be present in FST’s business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of FST’s business and outside of its control will not later arise. As a result of these factors, the Post-Closing Company may be forced to later write-down or write-off assets, restructure its operations, or incur impairment or other charges that could result in its reporting losses. Even if Chenghe’s due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with Chenghe’s preliminary risk analysis. Even though these charges may be non-cash items and would not have an immediate impact on the Post-Closing Company’s liquidity, the fact that the Post-Closing Company reports charges of this nature could contribute to negative market perceptions of the Post-Closing Company or its securities. In addition, charges of this nature may cause the Post-Closing Company to violate net worth or other covenants to which the Post-Closing Company may be subject. Accordingly, any shareholders who choose to remain shareholders following the Business Combination could suffer a reduction in the value of their shares. Such shareholders are unlikely to have a remedy for such reduction in value.

The CayCo Ordinary Shares to be received by Chenghe's shareholders as a result of the Business Combination will have different rights from SPAC Ordinary Shares.

Following completion of the Business Combination, Chenghe's shareholders will no longer be shareholders of Chenghe but will instead be shareholders of CayCo. There will be important differences between your current rights as a Chenghe shareholder and your rights as a CayCo shareholder. See "Comparison of Rights of CayCo Shareholders and Chenghe Shareholders" for a discussion of the different rights associated with the CayCo Ordinary Shares.

Chenghe's shareholders will have a reduced ownership after consummation of the Business Combination and will exercise less influence over management.

After the completion of the Business Combination, Chenghe's shareholders will own a smaller percentage of the Post-Closing Company than they currently own in Chenghe.

Assuming none of the Public Shareholders demand redemption pursuant to the Chenghe Articles, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 64.94% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.10% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 6.40% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of SPAC Public Warrants will hold approximately 10.55% of the Post-Closing Company's total issued and outstanding share capital.

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Assuming intermediate redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 67.09% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 18.70% of the Post-Closing Company's total issued and outstanding share capital; (iii) Public Shareholders will hold approximately 3.31% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of SPAC Public Warrants will hold approximately 10.90% of the Post-Closing Company's total issued and outstanding share capital.

Assuming maximum redemptions by Public Shareholders, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and the exercises of all issued and outstanding SPAC Warrants at the closing of the Business Combination, it is anticipated that (i) FST's existing shareholders will retain an ownership interest of approximately 68.34% of the Post-Closing Company's total issued and outstanding share capital; (ii) the Sponsors and their respective affiliates holding the Converted SPAC Public Shares, the Founder Shares and SPAC Private Placement Warrants will hold approximately 19.05% of the Post-Closing Company's total issued and outstanding share capital; (iii) the Public Shareholders will hold approximately 1.51% of the Post-Closing Company's total issued and outstanding share capital; and (iv) the holders of SPAC Public Warrants will hold approximately 11.10% of the Post-Closing Company's total issued and outstanding share capital.

In addition, such ownership could be further reduced as a result of issuance of additional CayCo Ordinary Shares. Consequently, SPAC Public Shareholders, as a group, will have reduced ownership in the Post-Closing Company compared to their ownership in Chenghe.

SPAC Public Shareholders who redeem their SPAC Public Shares may continue to hold the SPAC Public Warrants, which will result in additional dilution to non-redeeming SPAC Public Shareholders upon exercise.

Assuming maximum redemptions by the SPAC Public Shareholders and all the redeeming SPAC Public Shareholders continuing to hold the SPAC Public Warrants they own, an aggregate of 6,500,000 CayCo Warrants would be retained by these shareholders. The actual market price of the CayCo Warrants may be higher or lower on the date that holders seek to sell such CayCo Warrants. As a result, the redeeming SPAC Public Shareholders could recoup their entire investment and continue to hold CayCo Warrants, while non-redeeming SPAC Public Shareholders could suffer additional dilution in their percentage ownership and voting interest of the Post-Closing Company upon exercise of the CayCo Warrants held by redeeming SPAC Public Shareholders. Further, while the level of redemptions of Public Shares will not directly change the value of the CayCo Warrants because the

CayCo Warrants will remain outstanding regardless of the level of redemptions, as redemptions of Public Shares increase, a holder of CayCo Warrants who exercises such CayCo Warrants will ultimately own a greater interest in CayCo because there would be fewer shares outstanding overall.

CayCo may issue additional CayCo Ordinary Shares or other equity securities without seeking approval of its shareholders, which would dilute your ownership interests and may depress the market price of the CayCo Ordinary Shares.

Upon consummation of the Business Combination, CayCo may choose to seek third-party financing to provide additional working capital for its business, in which event CayCo may issue additional equity securities. Following the consummation of the Business Combination, CayCo may also issue additional CayCo Ordinary Shares or other equity securities of equal or senior rank in the future for any reason or in connection with, among other things, future acquisitions, the redemption of outstanding warrants or repayment of outstanding indebtedness, without shareholder approval, in a number of circumstances.

The issuance of additional CayCo Ordinary Shares or other equity securities of equal or senior rank would have the following effects:

- the proportionate ownership interest in CayCo of the existing shareholders of CayCo and Chenghe would decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;

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- the relative voting strength of each previously outstanding CayCo Ordinary Share may be diminished; and
- the market price of the CayCo Ordinary Shares may decline.

Chenghe's Sponsors own SPAC Ordinary Shares that will be worthless if the Business Combination is not approved. Such interests may have influenced their decision to approve the Business Combination.

If the Business Combination or another business combination is not consummated by the Extended Deadline, Chenghe will cease all operations except for the purpose of winding up, redeeming 100% of the issued and outstanding Public Shares for cash and, subject to the approval of its remaining shareholders and its board of directors, liquidating and dissolving. In such event, the 600,000 SPAC Class B Ordinary Shares retained by the Old SPAC Sponsor after the Sponsor Sale, the 1,591,873 SPAC Class B Ordinary Shares and the 1,058,127 Converted SPAC Public Shares held by the New SPAC Sponsor, and the 7,900,000 SPAC Private Placement Warrants held by the New SPAC Sponsor, would be worthless because the Sponsors and their respective affiliates are not entitled to participate in any redemption or liquidating distribution with respect to these shares and the SPAC Private Placement Warrants will not be exercisable. On the other hand, if the Business Combination is consummated, each SPAC Class B Ordinary Share issued and outstanding immediately prior to the Merger Effective Time will be automatically converted into one SPAC Class A Ordinary Share, and each SPAC Class A Ordinary Share, including those issued upon the automatic conversion of SPAC Class B Ordinary Shares described above and those Converted SPAC Public Shares, will convert into one CayCo Ordinary Share, subject to adjustment described herein, and each SPAC Warrant will be converted into a CayCo Warrant at the Closing. Based on the closing price for the Public Shares of \$[•] on the Nasdaq on [•], 20[•], the value of the Founder Shares would be \$[•], and the value of the Converted SPAC Public Shares would be \$[•]. Given (i) the differential in the purchase price that the Old SPAC Sponsor paid for the SPAC Class B Ordinary Shares as compared to the price of the SPAC Class A Ordinary Shares, (ii) the differential in the aggregate consideration paid by the New SPAC Sponsor in the Sponsor Sale as compared to the price of SPAC Class A Ordinary Shares and the price of SPAC Public Warrants, and (iii) the substantial number of CayCo Ordinary Shares that the Sponsors will receive upon conversion of the SPAC Class B Ordinary Shares and/or SPAC Private Placement Warrants, the Sponsors can earn a positive return on their investment, even if SPAC Public Shareholders have a negative return on their investment.

These financial interests may have influenced the decision of Chenghe Board to approve the Business Combination and could incentivize Chenghe's officers and directors to pursue a business combination with a less favorable target company or on terms less favorable to non-redeeming shareholders rather than liquidate, subject always to their fiduciary duties under Cayman Islands law. In considering the recommendations of Chenghe Board to vote for the Business Combination Proposal and other proposals, its shareholders should consider these interests. See the section of this Registration Statement/Proxy Statement titled "SPAC Shareholder Proposal No. 1 — The Business Combination Proposal — Interests of Certain Persons in the Business Combination."

The Sponsors are liable to ensure that proceeds of the Trust Account are not reduced by vendor claims in the event the Business Combination is not consummated. Such liability may have influenced Chenghe Board's decision to pursue the Business Combination and Chenghe Board's to approve it.

If the Business Combination or another business combination is not consummated by Chenghe on or before the Extended Deadline, the Sponsors will be liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by Chenghe for services rendered or contracted for or for products sold to Chenghe, but only if such a vendor or target business has not executed a waiver agreement. If Chenghe consummates a business combination, on the other hand, Chenghe or the Post-Closing Company will be liable for all such claims. Chenghe has no reason to believe that the Sponsors will not be able to fulfill their indemnity obligations to Chenghe.

These obligations of the Sponsors may have influenced Chenghe Board decision to pursue the Business Combination with FST or Chenghe Board decision to approve the Business Combination. In considering the recommendations of Chenghe Board to vote for the Business Combination Proposal and other proposals, shareholders should consider these interests. See the section of this Registration Statement/Proxy Statement titled "SPAC Shareholder Proposal No. 1 — The Business Combination Proposal — Interests of Certain Persons in the Business Combination."

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Chenghe's directors may decide not to enforce the indemnification obligations of the Sponsors, resulting in a reduction in the amount of funds in the Trust Account available for distribution to SPAC Public Shareholders in the event a business combination is not consummated.

If proceeds in the Trust Account are reduced below \$10.20 per Public Share and the Sponsors assert that they are unable to satisfy their indemnification obligations or that they have no indemnification obligations related to a particular claim, Chenghe's independent directors would determine whether to take legal action against the Sponsors to enforce their indemnification obligations. While Chenghe currently expects that its independent directors would take legal action on Chenghe's behalf against the Sponsors to enforce their indemnification obligations, it is possible that Chenghe's independent directors in exercising their business judgment may choose not to do so in any particular instance. If Chenghe's independent directors choose not to enforce these indemnification obligations, the amount of funds in the Trust Account available for distribution to SPAC Public Shareholders may be reduced below \$10.20 per share.

Chenghe and CayCo have no history operating as a Post-Closing Company. The unaudited pro forma condensed combined financial information may not be an indication of CayCo's financial condition or results of operations following the Business Combination, and accordingly, you have limited financial information on which to evaluate CayCo and your investment decision.

CayCo and Chenghe have no prior history as a combined entity, and their operations have not been previously managed on a combined basis. The unaudited pro forma condensed combined financial information contained in this Registration Statement/Proxy Statement has been prepared using the consolidated historical financial statements of Chenghe and CayCo, and is presented for illustrative purposes only and should not be considered to be an indication of the results of operations, including, without limitation, future revenue, or financial condition of Chenghe following the Business Combination. Certain adjustments and assumptions have been made regarding Chenghe after giving effect to the Business Combination. CayCo and Chenghe believe these assumptions are reasonable. However, the information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments are difficult to make with accuracy. These assumptions may not prove to be accurate, and other factors may affect Chenghe's results of operations or financial condition following the consummation of the Business Combination. For these and other reasons, the historical and pro forma condensed combined financial information included in this Registration Statement/Proxy Statement does not necessarily reflect CayCo's results of operations and financial condition, and the actual financial condition and results of operations of CayCo following the Business Combination may not be consistent with, or evident from, this pro forma financial information.

The Sponsors and certain officers and directors of Chenghe have agreed to vote in favor of the Business Combination, regardless of how SPAC Public Shareholders vote.

After the Extraordinary General Meeting, the Sponsors own and are entitled to vote an aggregate of approximately 45.2% on an as-converted basis of the issued and outstanding SPAC Ordinary Shares. These holders have agreed to vote their SPAC Class B Ordinary Shares in favor of the Business Combination Proposal pursuant to the SPAC IPO Letter Agreement. Pursuant to the Sponsor Support Agreement entered into in connection with the Business Combination Agreement, the Sponsors have also agreed to vote their shares in favor of all each of the SPAC Shareholder Proposals being presented at the Extraordinary General Meeting.

Accordingly, it is more likely that the necessary shareholder approval for the Business Combination Proposal and the other proposals will be received than would be the case if these holders agreed to vote their SPAC Class B Ordinary Shares in accordance with the majority of the votes cast by SPAC Public Shareholders.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect Chenghe's business, including its ability to negotiate and complete its initial business combination, financial condition, results of operations and prospects.

Chenghe is subject to laws and regulations enacted by national, regional and local governments. In particular, Chenghe is required to comply with certain SEC and other legal requirements. 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 Chenghe's business, investments and results of operations. In addition, a failure to comply with applicable

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laws or regulations, as interpreted and applied, could have a material adverse effect on Chenghe's business, including its ability to negotiate and complete its initial business combination, financial condition, results of operations and prospects.

On March 30, 2022, the SEC issued proposed rules relating to, among other items, enhancing disclosures in business combination transactions involving SPACs and private operating companies and increasing the potential liability of certain participants in proposed business combination transactions. These rules, if adopted, whether in the form proposed or in revised form, may materially increase the costs and time required to negotiate and complete an initial business combination and could potentially impair Chenghe's ability to complete an initial business combination.

The initial business combination may be delayed or ultimately prohibited since such initial business combination may be subject to regulatory review and approval requirements, including pursuant to foreign investment regulations and review by governmental entities such as the Committee on Foreign Investment in the United States ("CFIUS").

Certain investments that involve, directly or indirectly, the acquisition of, or investment in, a U.S. business by a non-U.S. investor may be subject to review and approval by CFIUS. Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors, the nature and structure of the transaction, including the level of beneficial ownership interest and the nature of any information or governance rights involved. For example, investments that result in "control" of a U.S. business by a foreign person always are subject to CFIUS jurisdiction. Significant CFIUS reform legislation, which was fully implemented through regulations that became effective on February 13, 2020, expanded the scope of CFIUS's jurisdiction to investments that do not result in control of a U.S. business by a foreign person but afford certain foreign investors certain information or governance rights in a U.S. business that has a nexus to "critical technologies," certain "critical infrastructure" and/or "sensitive personal data."

If a potential initial business combination falls within CFIUS's jurisdiction, the parties may be required to make a mandatory filing or determine to submit a voluntary notice to CFIUS, or to proceed with the initial business combination without notifying CFIUS and risk CFIUS intervention, before or after closing the initial business combination. The New SPAC Sponsor is a Cayman Islands limited liability company whose sole member is Chenghe Group Limited, a British Virgin Islands incorporated company controlled by Richard Qi Li. Mr. Li is a foreign person under the CFIUS regulations. Except as disclosed herein, the New SPAC Sponsor has no other substantial ties with a non-U.S. person. While FST and Chenghe do not believe that the initial business combination would be subject to the jurisdiction of CFIUS because, post-Closing, neither Chenghe nor its investors will have any rights that trigger CFIUS' jurisdiction (under 31 C.F.R. §§ 800.208, 211), if CFIUS decides to make an inquiry regarding the initial business combination and determines that it has jurisdiction over Chenghe's initial business combination, CFIUS may decide to block or delay Chenghe's initial business combination, impose conditions to mitigate national security concerns with respect to such initial business combination or order it to divest all or a portion of a U.S. business of the combined company if it had proceeded without first obtaining CFIUS clearance. The likelihood of a CFIUS inquiry concerning a potential business combination transaction generally tends to be higher if one or more "control" persons of a sponsor is from Hong Kong or the PRC, as is the case with Chenghe; Mr. Li is a permanent resident of Hong Kong.

The process of government review, whether by CFIUS or otherwise, could be lengthy. Because Chenghe has only a limited time to complete its initial business combination, its failure to obtain any required approvals within the requisite time period may require it to liquidate. If Chenghe winds up and liquidates, its Public Shareholders may only receive the redemption value per share, and its warrants will expire worthless. This will

also cause investors to lose any potential investment opportunity in a target company and the chance of realizing future gains on Chenghe's shareholders' investment through any price appreciation in the combined company.

SPAC Public Warrants have been delisted from Nasdaq.

On June 15, 2023, Chenghe received a written notice from the Listing Qualifications Department of Nasdaq indicating that since the aggregate market value of the outstanding SPAC Public Warrants was less than \$1 million, Chenghe was no longer in compliance with the Nasdaq Global Market continued listing criteria set forth in the Nasdaq Listing Rule 5452(b)(C) (the "**Market Value Rule**"), which requires Chenghe to maintain an aggregate market value of its outstanding warrants of at least \$1 million (the "**Notice**").

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Chenghe has been given 45 calendar days from the date of the Notice to submit a plan to regain compliance with the Market Value Rule. Chenghe has not submitted such plan. On August 16, 2023, Nasdaq notified SPAC that it determined to commence proceedings to delist the SPAC Public Warrants from Nasdaq and that trading in the SPAC Public Warrants would be suspended at the opening of business on August 25, 2023. SPAC did not appeal the delisting determination. As a result, on September 8, 2023, Nasdaq filed a notification of removal from listing on Form 25. Chenghe has not made any application to list the SPAC Public Warrants on the OTC markets. Chenghe is not aware of any plan of CayCo to apply for the listing of CayCo Warrants on any stock exchange after the Closing.

After the delisting of SPAC Public Warrants from Nasdaq, Chenghe and the holders of SPAC Public Warrants could face adverse consequences, including, among other things, reduced liquidity of SPAC Public Warrants, limited availability of market quotations for SPAC Public Warrants, and potentially becoming subject to regulation in each state in which Chenghe offer SPAC Public Warrants. The holders of SPAC Public Warrants may be unable to sell the SPAC Public Warrants held by it, him or her unless a market can be established or sustained.

Risks Related to the Redemption

If SPAC Public Shareholders fail to properly demand redemption rights, they will not be entitled to convert their Public Shares into a pro rata portion of the Trust Account.

SPAC Public Shareholders holding Public Shares may demand that Chenghe convert their Public Shares into a pro rata portion of the Trust Account, calculated as of two (2) Business Days prior to the consummation of the Business Combination. To demand redemption rights, SPAC Public Shareholders must deliver their share certificates (if any) and other redemption forms (either physically or electronically) to Chenghe's transfer agent no later than two (2) Business Days prior to the Extraordinary General Meeting. Any shareholder who fails to properly demand redemption rights by delivering his, her or its shares will not be entitled to convert his, her or its share certificates (if any) and other redemption forms into a pro rata portion of the Trust Account. See the section of this Registration Statement/Proxy Statement titled "*Extraordinary General Meeting of SPAC Shareholders — Redemption Rights*" for the procedures to be followed if you wish to convert your shares to cash.

SPAC Public Shareholders, together with any affiliates of theirs or any other person with whom they are acting in concert or as a "group," will be restricted from seeking redemption rights with respect to more than 15% of the Public Shares.

A SPAC Public Shareholder, together with any affiliate or any other person with whom such shareholder is acting in concert or as a "group," will be restricted from seeking redemption rights with respect to more than 15% of the Public Shares without Chenghe's prior consent. Accordingly, if you hold more than 15% of the Public Shares and the Business Combination Proposal is approved, you will not be able to seek redemption rights with respect to the full amount of your shares and may be forced to hold the shares in excess of 15% or sell them in the open market. Chenghe cannot assure you that the value of such excess shares will appreciate over time following a business combination or that the market price of the CayCo Ordinary Shares will exceed the per-share redemption price.

There is no guarantee that a SPAC Public Shareholder's decision to redeem its shares for a pro rata portion of the Trust Account will put the shareholder in a better future economic position.

There is no assurance as to the price at which a SPAC Public Shareholder may be able to sell its CayCo Ordinary Shares in the future following the completion of the Business Combination or shares with respect to any alternative business combination, and these shareholders could suffer a reduction in the value of their CayCo Ordinary Shares and would be unlikely to have a remedy for such reduction in value. Certain events following the consummation of any initial business combination may cause an increase in the share price and may result in a

lower value realized now than a shareholder of Chenghe might realize in the future had the shareholder not redeemed its shares. Similarly, if a shareholder does not redeem its shares, the shareholder will bear the risk of ownership of public shares after the consummation of any initial business combination, and there can be no assurance that a shareholder can sell its shares in the future for a greater amount than the redemption price set forth in this Registration Statement/Proxy Statement. A shareholder should consult the shareholder's tax and/or financial advisor for assistance on how this may affect its individual situation.

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If SPAC Public Shareholder fails to receive notice of Chenghe's offer to redeem its 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.

If, despite Chenghe's compliance with the proxy rules, a SPAC Public Shareholder fails to receive the proxy materials, such shareholder may not become aware of the opportunity to redeem its shares. In addition, this Registration Statement/Proxy Statement being furnished to SPAC Public Shareholders in connection with the Business Combination describes the various procedures that must be complied with in order to validly redeem Public Shares. In the event that a shareholder fails to comply with these procedures, its shares may not be redeemed. Please see the section titled "*Extraordinary General Meeting of SPAC Shareholders — Redemption Rights*" for additional information on how to exercise your redemption rights.

Risks Related to the Post-Closing Company's Securities

The price of CayCo Ordinary Shares may be volatile, and the value of CayCo Ordinary Shares may decline.

CayCo cannot predict the prices at which CayCo Ordinary Shares will trade. The price of CayCo Ordinary Shares may not bear any relationship to the market price at which CayCo Ordinary Shares will trade after the Transactions or to any other established criteria of the value of its business and prospects, and the market price of CayCo Ordinary Shares following the Business Combination may fluctuate substantially and may be lower than the price agreed by Chenghe and CayCo in connection with the Transactions. In addition, the trading price of SPAC Ordinary Shares following the Business Combination could be subject to fluctuations in response to various factors, some of which are beyond its control. These fluctuations could cause you to lose all or part of your investment in CayCo Ordinary Shares as you might be unable to sell these securities at or above the price you paid in the Transactions. Factors that could cause fluctuations in the trading price of CayCo Ordinary Shares include the following:

- actual or anticipated fluctuations in its financial condition or results of operations;
- variance in its financial performance from expectations of securities analysts;
- changes in its projected operating and financial results;
- changes in laws or regulations applicable to its business;
- announcements by CayCo or its competitors of significant business developments, acquisitions or new offerings;
- sales of CayCo Ordinary Shares by CayCo, its shareholders or its warrant holders, as well as the anticipation of lockup releases;
- significant breaches of, disruptions to or other incidents involving its information technology systems or those of its business partners;
- its involvement in litigation;
- conditions or developments affecting the social consumer internet industry in the countries and regions where CayCo operates its business;
- changes in its senior management or key personnel;
- the trading volume of its securities;
- changes in the anticipated future size and growth rate of its markets;
- publication of research reports or news stories about CayCo, its competitors or its industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- general economic and market conditions; and

- other events or factors, including those resulting from war, incidents of terrorism, global pandemics or responses to these events.

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Future sales of CayCo Ordinary Shares issued in connection with the Business Combination may cause the market price of CayCo Ordinary Shares to drop significantly.

After the completion of the Business Combination, Chenghe's shareholders will own a smaller percentage of the Post-Closing Company than they currently own in Chenghe.

At the Closing, assuming the Company Acquisition Percentage reaching 100% at the consummation of the FST Restructuring and the exercise of all issued and outstanding SPAC Warrants, existing CayCo shareholders, SPAC Public Shareholders, the Sponsors and their affiliates and the holders of SPAC Public Warrants are expected to hold approximately 64.94%, 6.40%, 18.10%, and 10.55% of CayCo's total share capital, respectively, assuming no redemptions, approximately 67.09%, 3.31%, 18.70% and 10.90% of CayCo's total share capital, respectively, assuming holders of 50% of the SPAC Public Shares exercise their redemption rights with respects to their Public Shares for a pro rata share of the funds in the Trust Account, and approximately 68.34%, 1.51%, 19.05% and 11.10% of CayCo's total issued and outstanding share capital, respectively, assuming holders of 3,056,030 SPAC Public Shares exercise their redemption rights with respects to their Public Shares for a pro rata share of the funds in the Trust Account so that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes.

Certain existing shareholders of FST, the Sponsors and certain holders of SPAC Class B Ordinary Shares will be subject to the Lock-Up Agreement following the Closing. Pursuant to the Lock-Up Agreement, existing FST shareholders, the Sponsors and certain holders of SPAC Class B Ordinary Shares agreed that, during the applicable lock-up period, they will not, sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option, right or warrant to purchase or otherwise transfer, dispose of or agree to transfer or dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position or enter into any swap or other arrangement that transfers to another any of the economic consequences of ownership of certain CayCo Ordinary Shares held by existing FST shareholders, the Sponsors and holders of SPAC Class B Ordinary Shares, respectively. See the section of this Registration Statement/Proxy Statement titled "*The Business Combination Agreement and Ancillary Documents — Agreements Entered into in Connection with the Business Combination — Lock-Up Agreement.*" Following the Closing, assuming the Company Acquisition Percentage is 100% at the FST Restructuring Closing, a total of 3,941,873 CayCo Ordinary Shares (assuming no redemptions), a total of 1,970,936 CayCo Ordinary Shares (assuming intermediate redemptions) and a total of 885,843 CayCo Ordinary Shares (assuming maximum redemptions) will immediately be freely tradeable. Assuming the Company Acquisition Percentage is 100% at the FST Restructuring Closing, a total of 47,191,873 CayCo Ordinary Shares (assuming no redemptions) and a total of 45,220,936 CayCo Ordinary Shares (assuming intermediate redemptions) or a total of 44,135,843 CayCo Ordinary Shares (assuming maximum redemptions) held by these certain FST shareholders, the Sponsors and their respective affiliates will be freely tradeable after the applicable lock-up period. However, depending on the level of redemption of Public Shares in connection with the Business Combination, FST and the Sponsors may consider releasing a portion or all of the CayCo Ordinary Shares held by the Sponsors, certain FST shareholders, and their respective affiliates (if applicable) from the Lock-Up Agreement to meet the requirement of the relevant stock exchange in relation to the public float, which will result in additional CayCo Ordinary Shares becoming freely tradeable at the Closing of Business Combination, and potentially downward pressure on the trading price of CayCo Ordinary Shares immediately after the Closing of Business Combination.

Further, at the Closing, the Sponsors and certain shareholders of CayCo and certain of their respective affiliates, as applicable, will enter into an investors rights agreement with CayCo, pursuant to which the Sponsors and the other parties thereto will have customary demand registration rights and piggy-back registration rights with respect to registration statements filed by CayCo after the Closing. See the sections of this Registration Statement/Proxy Statement titled "*The Business Combination Agreement and Ancillary Documents — Agreements Entered Into in Connection with the Business Combination — Investor Rights Agreement.*"

Upon expiration of the applicable lock-up period and upon the effectiveness of any registration statement that CayCo files pursuant to the above-referenced registration rights agreement, in a registered offering of securities pursuant to the Securities Act or otherwise in accordance with Rule 144 under the Securities Act (subject to the satisfaction of certain conditions), the CayCo shareholders may sell large amounts of CayCo

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the open market or in privately negotiated transactions, which could have the effect of increasing the volatility in the trading price of the CayCo Ordinary Shares or putting significant downward pressure on the price of the CayCo Ordinary Shares. The effective prices at which the Sponsors will have acquired the Post-Closing Company shares issued in respect of their SPAC Class B Ordinary Shares and Converted SPAC Public Shares in connection with the Business Combination are generally substantially less than the SPAC IPO price. Consequently, after the lock-up period, these persons may have an incentive to sell their CayCo Ordinary Shares even if the trading price at that time is below the SPAC IPO price, which could cause downward pressure on the trading price of the Post-Closing Company shares. Further, sales of CayCo Ordinary Shares upon expiration of the applicable lockup period could encourage short sales by market participants. Generally, short selling means selling a security, contract or commodity not owned by the seller. The seller is committed to eventually purchase the financial instrument previously sold. Short sales are used to capitalize on an expected decline in the security's price. Short sales of CayCo Ordinary Shares could have a tendency to depress the price of the CayCo Ordinary Shares, which could increase the potential for short sales.

We cannot predict the size of future issuances of CayCo Ordinary Shares or the effect, if any, that future issuances and sales of shares of CayCo Ordinary Shares will have on the market price of the CayCo Ordinary Shares. Sales of substantial amounts of CayCo Ordinary Shares (including those shares issued in connection with the Business Combination), or the perception that such sales could occur, may materially and adversely affect prevailing market prices of CayCo Ordinary Shares.

An active trading market for CayCo Ordinary Shares may not develop or be sustained, which would adversely affect the liquidity and price of CayCo Ordinary Shares.

Following the Business Combination, the price of CayCo Ordinary Shares may fluctuate significantly due to the market's reaction to the Business Combination and general market and economic conditions. An active trading market for its ordinary shares following the Business Combination may never develop or, if developed, may not be sustained. The price of CayCo Ordinary Shares after the Business Combination may vary due to general economic conditions and forecasts, its general business condition and the release of its financial reports. Additionally, if the Post-Closing Company's securities are not listed on the Stock Exchange and are quoted on the OTC Bulletin Board (an inter-dealer automated quotation system for equity securities that is not a national securities exchange), the liquidity and price of CayCo Ordinary Shares may be more limited than if the Post-Closing Company was quoted or listed on the Stock Exchange or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

If CayCo does not meet the expectations of equity research analysts, if they do not publish research reports about its business or if they issue unfavorable commentary or downgrade CayCo Ordinary Shares, the price of CayCo Ordinary Shares could decline.

The trading market for CayCo Ordinary Shares will rely in part on the research reports that equity research analysts publish about CayCo and its business. The analysts' estimates are based upon their own opinions and are often different from CayCo's estimates or expectations. If CayCo's results of operations are below the estimates or expectations of equity research analysts and investors, the price of CayCo Ordinary Shares could decline. Moreover, the price of CayCo Ordinary Shares could decline if one or more equity research analysts downgrade CayCo Ordinary Shares or if those analysts issue other unfavorable commentary or cease publishing reports about CayCo or its business.

CayCo's issuance of additional share capital in connection with financings, acquisitions, investments, an equity incentive plan or otherwise will dilute all other shareholders.

CayCo expects to issue additional share capital in the future that will result in dilution to all other shareholders. CayCo expects to grant equity awards to key employees under an equity incentive plan. CayCo may also raise capital through equity financings in the future. As part of its business strategy, CayCo may acquire or make investments in companies, solutions or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional share capital may cause shareholders to experience significant dilution of their ownership interests and the per share value of CayCo Ordinary Shares to decline.

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CayCo does not have any definite timetable for the payment of any dividends, and as a result, your ability to

achieve a return on your investment may depend on appreciation in the price of CayCo Ordinary Shares.

CayCo does not have any definite timetable for the payment of any dividends, and any determination to pay dividends in the future will be at the discretion of its board of directors. Accordingly, you may need to rely on sales of CayCo Ordinary Shares after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

CayCo is an “emerging growth company,” and CayCo cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make CayCo Ordinary Shares less attractive to investors.

CayCo is an “emerging growth company,” as defined in the JOBS Act, and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. CayCo has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, CayCo, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of CayCo’s financial statements with certain other public companies difficult or impossible because of the potential differences in accounting standards used.

The Post-Closing Company will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year (a) following the fifth anniversary of the date of its first sale of common equity securities pursuant to an effective registration statement, (b) in which the Post-Closing Company has total annual gross revenue of at least \$1.235 billion, or (c) in which the Post-Closing Company is deemed to be a large accelerated filer, which means the market value of the Post-Closing Company’s common equity that is held by non-affiliates exceeds \$700 million as of the last Business Day of its most recently completed second fiscal quarter; and (ii) the date on which the Post-Closing Company has issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” have the meaning associated with it in the JOBS Act.

CayCo cannot predict if investors will find CayCo Ordinary Shares less attractive because CayCo relies on these exemptions. If some investors find CayCo Ordinary Shares less attractive as a result, there may be a less active trading market for CayCo Ordinary Shares, and the price of CayCo Ordinary Shares may be more volatile.

CayCo will be a foreign private issuer, and as a result, CayCo will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

Upon the closing of the Transactions, CayCo will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because CayCo qualifies as a foreign private issuer under the Exchange Act, CayCo is exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including, among others, (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (2) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time, and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of

each fiscal year, and U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. As a result of all of the above, you may not have the same protections afforded to shareholders of a company that is not a foreign private issuer.

As CayCo is a “foreign private issuer” and intends to follow certain home country corporate governance practices, its shareholders may not have the same protections afforded to shareholders of companies that are subject to all corporate governance requirements of the Stock Exchange.

As a foreign private issuer, CayCo has the option to follow Cayman Islands law rather than those of the Stock Exchange for certain governance matters, provided that CayCo discloses the requirements CayCo is not following and describe the home country practices CayCo is following. Certain corporate governance practices in the Cayman Islands may differ significantly from corporate governance listing standards, except for general fiduciary duties and duties of care. If CayCo chooses to follow home country practices in the future, its shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers.

CayCo may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses.

As discussed above, CayCo is a foreign private issuer, and therefore, CayCo is not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last Business Day of an issuer’s most recently completed second fiscal quarter. In the future, CayCo would lose its foreign private issuer status if (1) more than 50% of its outstanding voting securities are owned by U.S. residents and (2) a majority of its directors or executive officers are U.S. citizens or residents, a majority of its assets are located in the U.S., or its business is administered principally in the U.S. If CayCo loses its foreign private issuer status, CayCo will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. CayCo will also have to mandatorily comply with U.S. federal proxy requirements, and its officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, CayCo will lose its ability to rely upon exemptions from certain corporate governance requirements under the listing rules of the Stock Exchange (the “**Listing Rules**”). A U.S.-listed public company that is not a foreign private issuer will incur significant additional legal, accounting and other expenses that a foreign private issuer will not incur.

CayCo does not intend to make any determinations on whether CayCo or its subsidiaries are CFCs for U.S. federal income tax purposes.

CayCo does not intend to make any determinations on whether CayCo or any of its subsidiaries are treated as “controlled foreign corporations” within the meaning of Section 957(a) of the Code (“**CFCs**”), or whether any U.S. Holder (as defined below in the section titled “*Material U.S. Federal Income Tax Considerations*”) of CayCo Ordinary Shares is treated as a “United States shareholder” within the meaning of Section 951(b) of the Code with respect to CayCo or any of its subsidiaries. CayCo does not expect to furnish to any U.S. Holder of CayCo Ordinary Shares information that may be necessary to comply with applicable reporting and tax paying obligations with respect to CFCs. The IRS has provided limited guidance regarding the circumstances in which investors may rely on publicly available information to comply with their reporting and taxpaying obligations with respect to CFCs. U.S. Holders of CayCo Ordinary Shares should consult their tax advisors regarding the potential application of these rules to their particular circumstances.

If CayCo or any of its subsidiaries are characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes, U.S. Holders may suffer adverse U.S. federal income tax consequences.

A non-U.S. corporation generally will be treated as a PFIC for U.S. federal income tax purposes, in any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income.

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As of the date hereof, CayCo has not made a determination as to its PFIC status for its current taxable year or any other taxable year. Whether CayCo or any of its subsidiaries are a PFIC for any taxable year is a factual determination that depends on, among other things, the composition of its income and assets, its market value and the market value of its subsidiaries’ shares and assets (including FST and SPAC). Changes in CayCo’s composition, the composition of its income or the composition of any of its subsidiaries’ assets may cause CayCo to be or become a PFIC for the current or subsequent taxable years. Whether CayCo is treated as a PFIC for U.S. federal income tax purposes is a factual determination that must be made annually at the close of each taxable year and, thus, is subject to significant uncertainty.

If CayCo is a PFIC for any taxable year, a U.S. Holder (as defined below in the section titled “*Material U.S. Federal Income Tax Considerations*”) of CayCo Ordinary Shares may be subject to adverse tax

consequences and may incur certain information reporting obligations. U.S. Holders of CayCo Ordinary Shares are strongly encouraged to consult their own advisors regarding the potential application of these rules to CayCo and the ownership of CayCo Ordinary Shares.

The Merger may not qualify as a reorganization under Section 368(a) of the Code, and the FST Restructuring together with the Merger may not qualify as a transfer of property described in Section 351 of the Code, in which case U.S. Holders of Chenghe securities generally would recognize gain or loss for U.S. federal income tax purposes.

It is intended that (1) the FST Restructuring together with the Merger qualify as a transfer of property described in Section 351 of the Code and the Treasury Regulations promulgated and/or (2) the Merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code and the Treasury Regulations promulgated thereunder (the “**Intended Tax Treatment**”). The parties intend to report the Transactions in a manner consistent with the Intended Tax Treatment. However, legal counsel to SPAC is unable to opine regarding the qualification of the Merger and the FST Restructuring for the Intended Tax Treatment because there are significant factual and legal uncertainties as to whether the Transactions will qualify for the Intended Tax Treatment. Moreover, qualification of the Transactions for the Intended Tax Treatment is based on certain facts that will not be known until or following the closing of the Business Combination, and the closing of the Business Combination is not conditioned upon the receipt of an opinion of counsel that the Transactions qualify for the Intended Tax Treatment, and neither Chenghe nor FST intends to request a ruling from the IRS regarding the U.S. federal income tax treatment of the Transactions.

There are many requirements that must be satisfied in order for the Merger to qualify as a reorganization under Section 368(a) of the Code and/or as part of an integrated transaction governed by Section 351 of the Code, some of which are based upon factual determinations, and the Intended Tax Treatment could be adversely affected by events or actions that occur or are taken after the Merger. One such requirement, among others, for the Merger to qualify as a reorganization under Section 368(a) of the Code is that the acquiring corporation continue, either directly or indirectly through certain controlled corporations, either a significant line of the acquired corporation’s historic business or use a significant portion of the acquired corporation’s historic business assets in a business, in each case, within the meaning of Treasury regulations Section 1.368-1(d). However, due to the absence of guidance bearing directly on how the above rules apply in the case of an acquisition of a corporation with no active business and only investment-type assets, such as SPAC, we cannot provide guidance on whether the Merger qualifies as a reorganization under Section 368(a) of the Code. In addition, the treatment of the Merger as a reorganization would depend on whether sufficient shareholders of SPAC exchange their ordinary shares for CayCo Ordinary Shares rather than redeem it for cash. If a significant number of shareholders of SPAC decide to redeem their ordinary shares, the “continuity of business enterprise” requirement that is necessary to qualify as a reorganization under Section 368(a) of the Code may not be satisfied. Further, for a transaction to qualify under Section 351 of the Code, persons who transfer property to a corporation in exchange for stock must be in control (as specifically defined under the Code) of the corporation immediately after the exchange. For the transaction to qualify under Section 351 of the Code, shareholders of the SPAC along with the FST Shareholders who subscribe for shares of CayCo in connection with the Company Shareholder Subscription must be treated as part of a single group for purposes of satisfying this control requirement. Due to the funding of the Company Shareholders Subscription and the transitory nature of the cash used in the Company Shareholder Subscription it is not clear whether the FST Shareholders who subscribe for shares of CayCo in connection with the Company Shareholder Subscription would be treated as part of the required control group for purposes of Section 351 of the Code, and thus there is significant legal uncertainty due to a lack of clear authority on point as to whether the Merger together with the FST Restructuring will qualify as an exchange described in Section 351 of the Code. Accordingly, no assurance can be given that the IRS will not challenge the Intended Tax Treatment or that a court will not sustain a challenge by the IRS.

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If the FST Restructuring together with the Merger does not qualify as a transfer of property described in Section 351 and the Merger does not meet the requirements to qualify as a reorganization under Section 368(a) of the Code, then a U.S. Holder (as defined below in the section titled “*Material U.S. Federal Income Tax Considerations*”) of Chenghe securities generally would recognize gain or loss in an amount equal to the difference, if any, between the fair market value of CayCo Ordinary Shares and CayCo Warrants received in the Business Combination over such U.S. Holder’s aggregate tax basis in the corresponding SPAC Ordinary Shares and SPAC Warrants surrendered by such U.S. Holder in the Business Combination.

If the Merger does not qualify as a reorganization under Section 368(a) of the Code but qualifies (along with the FST Restructuring) as part of an integrated transaction governed by Section 351 of the Code, the treatment of a U.S. Holder’s exchange of SPAC Warrants for CayCo Warrants in connection with the Merger is uncertain. It is possible that a U.S. Holder could be treated as transferring its SPAC Ordinary Shares and SPAC Warrants in

exchange for CayCo Ordinary Shares and CayCo Warrants as part of an integrated transaction governed by Section 351 of the Code. In such case, such U.S. Holder generally would be required to recognize gain (but not loss), computed on an asset by asset basis with respect to the SPAC Ordinary Shares and SPAC Warrants, in an amount equal to the lesser of (i) the amount of gain realized by such U.S. Holder (generally, the excess of (x) the fair market values of the CayCo Warrants or the CayCo Ordinary Shares, as applicable, received by such holder, over (y) such holder's adjusted tax basis in the CayCo Warrants or CayCo Ordinary Shares, as applicable, exchanged therefor) and (ii) the appropriate allocation to the SPAC Ordinary Shares or SPAC Warrants, as applicable, of the fair market value of the CayCo Warrants treated as having been received by such holder in such exchange. For purposes of determining the appropriate allocation of the fair market value of the CayCo Warrants describe in the preceding clause (ii), the holder allocates the fair market value of the CayCo Warrants between the SPAC Ordinary Shares and the SPAC Warrants based on the proportionate fair market values of the SPAC Ordinary Shares and SPAC Warrants exchanged in the Merger. It is also possible that a U.S. Holder could be treated as exchanging its CayCo Warrants for "new" warrants (i.e., CayCo Warrants) in a taxable transaction that is distinct from the exchange of SPAC Ordinary Shares for CayCo Ordinary Shares pursuant to the Merger. In such case, the U.S. Holder should be required to recognize gain or loss in such deemed exchange in an amount equal to the difference between the fair market value of the CayCo Warrants held by such U.S. Holder immediately following the Merger and the adjusted tax basis of the SPAC Warrants held by such U.S. Holder immediately prior to the Merger.

Additionally, even if the Intended Tax Treatment is respected, proposed Treasury Regulations promulgated under Section 1291(f) of the Code (which have a retroactive effective date) generally require that, unless certain elections have been made by a U.S. Holder, a U.S. Holder who disposes of stock of a PFIC must recognize gain equal to the excess of the fair market value of such PFIC stock over its adjusted tax basis, notwithstanding any other provision of the Code. Given the anticipated structure of the Business Combination, the startup exception (as discussed below in the section titled "*Material U.S. Federal Income Tax Considerations*") is not expected to apply to Chenghe and consequently Chenghe is expected to be classified as a PFIC for U.S. federal income tax purposes for the 2022, 2023 and current and future taxable years. If Chenghe is classified as a PFIC, these proposed Treasury Regulations, if finalized in their current form, would generally require a U.S. Holder of Chenghe securities to recognize gain under the PFIC rules on the exchange of Chenghe securities for CayCo securities pursuant to the Business Combination unless such U.S. Holder has made certain tax elections with respect to such U.S. Holder's SPAC Ordinary Shares. Any gain recognized from the application of the PFIC rules would be taxable income with no corresponding receipt of cash. The tax on any such gain would be imposed at the rate applicable to ordinary income and an interest charge would apply based on complex rules designed to offset the tax deferral to such U.S. Holder on the undistributed earnings, if any, of Chenghe. It is unclear at this time whether, in what form, and with what effective date, final Treasury Regulations under Section 1291(f) of the Code may be adopted or how any such Treasury Regulations would apply.

For a detailed discussion of the material U.S. federal income tax considerations of the Business Combination for U.S. Holders of SPAC Ordinary Shares that do not exercise their redemption rights, see the section titled "*Material U.S. Federal Income Tax Considerations*." U.S. Holders of Chenghe securities should consult their tax advisors to determine the tax consequences if the Business Combination does not qualify for the Intended Tax Treatment and if the PFIC rules apply to their specific situations in connection with the Business Combination.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Registration Statement/Proxy Statement constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Forward-looking statements reflect SPAC's, FST's or CayCo's current views, as applicable, with respect to, among other things, their respective capital resources, performance and results of operations. Likewise, all of FST's and CayCo's statements regarding anticipated growth in operations, anticipated market conditions, demographics, reserves and results of operations are forward-looking statements. In some cases, you can identify these forward-looking statements by the use of terminology such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "approximately," "predicts," "intends," "plans," "scheduled," "forecasts," "estimates," "anticipates" or the negative version of these words or other comparable words or phrases.

The forward-looking statements contained in this Registration Statement/Proxy Statement reflect SPAC's, the FST's or CayCo's current views, as applicable, about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause actual results to differ significantly from those expressed in any forward-looking statement. None of SPAC, FST or CayCo guarantees

that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- possible delays in closing the Business Combination, whether due to the inability to obtain SPAC Shareholder Approval, or failure to satisfy any of the conditions to closing the Business Combination, as set forth in the Business Combination Agreement;
- the inability of the Business Combination, or an alternate business combination, to be completed by the SPAC Termination Date, and the potential failure of SPAC to obtain an extension of the SPAC Termination Date if sought by SPAC;
- any waivers of the conditions to Closing as may be permitted in the Business Combination Agreement;
- general economic uncertainty;
- expectations regarding FST's strategies and future financial performance, including FST's future business plans or objectives, prospective performance and opportunities and competitors, revenues, ability to raise capital, customer acquisition and retention, products and services, pricing, marketing plans, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures, and FST's ability to invest in growth initiatives and pursue acquisition opportunities;
- the risk that the proposed Business Combination disrupts current plans and operations of FST as a result of the announcement and consummation of the Business Combination;
- the ability to recognize the anticipated benefits of the Business Combination;
- unexpected costs related to the proposed Business Combination;
- the amount of any redemptions by the existing holders of SPAC Class A Ordinary Shares being greater than expected;
- CayCo's ability to obtain or maintain the listing of CayCo Ordinary Shares on the Nasdaq or any other national stock exchange following the Business Combination;
- potential disruption in FST's or CayCo's employee retention as a result of the Business Combination;
- potential litigation, governmental or regulatory proceedings, investigations or inquiries involving SPAC, FST or CayCo, including in relation to the Business Combination;
- international, national or local economic, social or political conditions that could adversely affect the companies and their business;

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- the effectiveness of CayCo's internal controls and its corporate policies and procedures;
- changes in personnel and availability of qualified personnel;
- environmental uncertainties and risks related to adverse weather conditions and natural disasters;
- the volatility of the market price and liquidity of SPAC Units, SPAC Class A Ordinary Shares and SPAC Public Warrants;
- potential write-downs, write-offs, restructuring and impairment or other charges required to be taken by CayCo subsequent to the Business Combination;
- the possibility that the SPAC Board's valuation of the Company was inaccurate, including the failure of SPAC's diligence review to identify all material risks associated with the Business Combination;
- the limited experience of certain members of CayCo's management team in operating a public company in the United States;
- the volatility of the market price and liquidity of CayCo Ordinary Shares and CayCo Warrants;
- a failure to achieve anticipated benefits of acquisitions or the need to dispose of non-core assets for less than their carrying value on the financial statements as a result of weak market conditions;
- global political events that affect commodity prices;
- the risk that FST's properties may be subject to actions and opposition by non-governmental agencies;

- a failure by FST to obtain the regulatory approvals it needs for general operating activities or compliance for decommissioning;
- the geographical concentration of FST's assets;
- changes to current, or implementation of additional, regulations applicable to FST's operations;
- a failure to secure the services and equipment necessary for FST's operations for the expected price, on the expected timeline, or at all;
- seasonal weather conditions that may cause operational delays;
- changes to applicable tax laws or government incentive programs;
- defects in the title or rights in relation to FST's properties;
- risk management activities that expose FST to the risk of financial loss and counter-party risk;
- the occurrence of an uninsurable event;
- an inability to recruit and retain a skilled workforce and key personnel;
- the potential physical effects of climate change on FST's production and costs;
- any breaches of FST's cyber-security and loss of, or unauthorized access to, data;
- changes to applicable tax laws and regulations or exposure to additional tax liabilities;
- the significant increased expenses and administrative burdens that CayCo will incur as a public company;
- internal control weaknesses and any misstatements of financial statements or CayCo's inability to meet periodic reporting obligations;
- foreign currency and interest rate fluctuations; and
- failure to comply with anticorruption, economic sanctions, and anti-money laundering laws.

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Additionally, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

Forward-looking statements regarding expected ownership of CayCo Ordinary Shares by existing SPAC Shareholders and Company Shareholders following the Business Combination have been calculated based on each of SPAC's and FST's outstanding share capital, each as of the date of this Registration Statement/Proxy Statement. Forward-looking statements representing post-closing expectations are inherently uncertain. There can be no assurance that the forward-looking statements will prove to be accurate and reliance should not be placed on these estimates in deciding how to vote on the SPAC Shareholder Proposals.

The forward-looking statements contained herein are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. For a further discussion of the risks and other factors that could cause SPAC's, FST's or CayCo's future results, performance or transactions to differ significantly from those expressed in any forward-looking statements, please see the section entitled "*Risk Factors*." There may be additional risks that SPAC, FST and/or CayCo do not presently know or that SPAC, FST and/or CayCo currently believes are immaterial, that could also cause actual results to differ from those contained in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of the assumptions made in making these forward-looking statements prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. While such forward-looking statements reflect SPAC's, FST's and CayCo's good faith beliefs, as applicable, they are not guarantees of future performance. SPAC, FST and CayCo disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes after the date of this Registration Statement/Proxy Statement, except as required by applicable law. You should not place undue reliance on any forward-looking statements, which are based only on information currently available to SPAC, FST and CayCo, as applicable.

EXTRAORDINARY GENERAL MEETING OF SPAC SHAREHOLDERS

Overview

SPAC is furnishing this Registration Statement/Proxy Statement to its shareholders as part of the solicitation of proxies by the SPAC Board for use at the SPAC Shareholders' Meeting to be held on [•], 2024, and at any adjournment or postponement thereof. This Registration Statement/Proxy Statement provides SPAC Shareholders with information they need to know to be able to vote or instruct their vote to be cast at the SPAC Shareholders' Meeting.

Date, Time and Place of SPAC Shareholders' Meeting

The SPAC Shareholders' Meeting will be held at office of White & Case LLP at 1221 Avenue of the Americas, New York, New York 10020 and virtually on [•], 2024, at [•] Eastern Time at [•], pursuant to the procedures described in this Registration Statement/Proxy Statement, or such other date, time and place to which such meeting may be adjourned or postponed, to consider and vote upon the SPAC Shareholder Proposals.

Attending the SPAC Shareholders' Meeting

All SPAC Shareholders as of the Record Date, or their duly appointed proxies, may attend the SPAC Shareholders' Meeting virtually. If you were a SPAC Shareholder as of the close of business on [•], 2024, you may attend the SPAC Shareholders' Meeting. SPAC Shareholders do not need to attend the SPAC Shareholders' Meeting to vote their shares. For information on how to vote your SPAC Ordinary Shares, please see the subsection entitled "*— Voting Your Shares.*"

If you are a record holder, and you wish to attend the SPAC Shareholders' Meeting virtually, go to [•], enter the control number you received on your proxy card or notice of the meeting and click on the "Click here to register for the online meeting" link at the top of the page. Immediately prior to the start of the SPAC Shareholders' Meeting, you will need to log back into the meeting site using your control number on your proxy card.

If you hold your ordinary shares in "street name," which means your shares are held of record by a broker, bank or nominee, you must instruct your broker or bank on how to vote the shares you beneficially own or, if you wish to attend the SPAC Shareholders' Meeting, you must obtain a legal proxy from the shareholder of record and email a copy (a legible photograph is sufficient) of your proxy to proxy@continentalstock.com no later than 72 hours prior to the SPAC Shareholders' Meeting. Holders should contact their bank, broker or other nominee for instructions regarding obtaining a legal proxy. Holders who email a valid legal proxy will be issued a meeting control number that will allow them to register to attend and participate in the SPAC Shareholders' Meeting virtually. You will receive an email prior to the meeting with a link and instructions for entering the SPAC Shareholders' Meeting. "Street" name holders should contact Continental Stock Transfer & Trust Company on or before [•], 2024.

Shareholders will also have the option to listen to the SPAC Shareholders' Meeting by telephone by calling:

- within the U.S. and Canada: +1 [•] (toll-free)
- outside of the U.S. and Canada: +1 [•] (standard rates apply)

The conference ID is [•]. You will not be able to vote or submit questions, unless you register for and log in to the SPAC Shareholders' Meeting webcast as described above.

Purpose of the SPAC Shareholders' Meeting

At the SPAC Shareholders' Meeting, SPAC is asking SPAC Shareholders to vote on the following proposals:

- **Proposal No. 1 — The Business Combination Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to approve and adopt the business combination agreement dated as of December 22, 2023 (as it may be amended, supplemented or otherwise modified from time to time, the "**Business Combination Agreement**"), by and among Chenghe, FST Corp., a Cayman Islands exempted company with limited liability ("**CayCo**"), FST Merger Ltd., a Cayman Islands exempted company with limited liability and a direct wholly owned subsidiary of CayCo ("**Merger Sub**"), and Femco Steel Technology Co., Ltd., a company incorporated and in existence under the laws of Taiwan with uniform commercial number

of 04465819 (“**FST**” and together with CayCo and Merger Sub, the “**FST Parties**”), and approve the transactions contemplated thereby, pursuant to which, among other things, Merger Sub shall be merged with and into Chenghe with Chenghe being the surviving company and as a direct, wholly owned subsidiary of CayCo (the “**Merger**”), and Chenghe will change its name to “FST Ltd.” (the “**Business Combination**”). The Business Combination and other transactions contemplated by the Business Combination Agreement are referred to as the “**Transactions**.” A copy of the Business Combination Agreement is attached as Annex A to the accompanying Registration Statement/Proxy Statement and a copy of the Plan of Merger is attached as Annex A-1 to this Registration Statement/Proxy Statement;

- **Proposal No. 2 — The Merger Proposal** — to consider and vote upon, as a special resolution, a proposal to approve and adopt the plan of merger to be filed with the Registrar of Companies of the Cayman Islands (the “**Plan of Merger**”) and approve the transactions contemplated thereby, including, without limitation the Merger. A copy of the Plan of Merger is attached as Annex A-1 to this Registration Statement/Proxy Statement;
- **Proposal No. 3 — The Authorized Share Capital Amendment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to approve, with effect from the effective time of the Merger, the reclassification and re-designation of (a) 200,000,000 issued and unissued Class A ordinary shares of a par value of \$0.0001 each to 200,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; (b) 20,000,000 issued and unissued Class B ordinary shares of a par value of \$0.0001 each to 20,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; and (c) 1,000,000 authorized but unissued preference shares of a par value of \$0.0001 each to 1,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each (the “**Re-designation**”) so that following such Re-designation, the authorized share capital of Chenghe shall be \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each, and immediately after the Re-designation, the authorized share capital of Chenghe be increased from \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each to \$50,000 divided into 500,000,000 ordinary shares of a par value of \$0.0001 each by the creation of an additional 279,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each to rank pari passu in all respects with the existing ordinary shares;
- **Proposal No. 4 — The Articles Amendment Proposals** — to consider and vote upon, as special resolutions, two separate special resolutions to respectively approve, with effect from the effective time of the Merger:
 - (a) the change of name of Chenghe from “Chenghe Acquisition I Co.” to “FST Ltd.”; and
 - (b) the amended and restated memorandum and articles of association of SPAC currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the proposed second amended and restated memorandum and articles of association (the “**Restated M&A**”). A copy of the Restated M&A is attached as Annex H to this Registration Statement/Proxy Statement; and
- **Proposal No. 5 — The Adjournment Proposal** — to consider and vote upon, as an ordinary resolution, a proposal to adjourn the Extraordinary General Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the Extraordinary General Meeting, there are not sufficient votes to approve one or more proposals presented to the shareholders for vote.

Recommendation to Shareholders

The SPAC Board has determined that each of the SPAC Shareholder Proposals is fair to and in the best interest of SPAC and its shareholders and recommended that SPAC Shareholders vote “**FOR**” each of the Business Combination Proposal, the Merger Proposal, the Authorized Share Capital Amendment Proposal, and the Articles Amendment Proposals, and “**FOR**” the Adjournment Proposal, if presented.

In considering the recommendation of the SPAC Board to vote in favor of the Business Combination, shareholders should be aware that, the Sponsors, SPAC’s directors and officers have interests in the Business Combination that are different from, or in addition to, those of other SPAC Shareholders generally, which could cause them to benefit from and incentivize them to pursue a business combination with a less favorable target company or on terms less favorable to non-redeeming shareholders rather than liquidate, subject always to their fiduciary duties under Cayman Islands

law. SPAC's directors were aware of and considered these interests, among other matters, in evaluating the Business Combination and did not believe that such interests would preclude them from approving the Business Combination or from recommending the Business Combination to SPAC Shareholders, considering that these interests would be disclosed in this Registration Statement/Proxy Statement. SPAC Shareholders should take these interests into account in deciding whether to approve the Business Combination. These interests include, among other things:

- the fact that the Old SPAC Sponsor paid an aggregate of \$25,000 for 3,250,000 SPAC Class B Ordinary Shares, which will have a significantly higher value at the time of the Business Combination but will become worthless if a business combination is not consummated by the Extended Deadline. Based on the average of the high (\$[•]) and low (\$[•]) prices for the SPAC Class A Ordinary Shares on Nasdaq on [•], 20[•], after giving effect to the Sponsor Sale, the value of the Founder Shares held by the Old SPAC Sponsor would be \$[•];
- the fact that the Old SPAC Sponsor paid an aggregate of approximately \$7,900,000 for its 7,900,000 SPAC Private Placement Warrants to purchase SPAC Class A Ordinary Shares and that such SPAC Private Placement Warrants will expire worthless if a business combination is not consummated by the Extended Deadline;
- the fact that the New SPAC Sponsor entered into the Sponsor Sale SPA with the Old SPAC Sponsor for the acquisition of an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor for an aggregate purchase price of \$1.00 plus \$450,000 extension contribution payment incurred prior to the date of the Sponsor Sale SPA, and other extension payments that may become due after the Sponsor Sale, and in accordance with the terms of the Trust Agreement. Based on the closing price for the Public Shares of \$[•] on the Nasdaq on [•], 20[•], the value of the Founder Shares held by the New SPAC Sponsor would be \$[•], and the value of the Converted SPAC Public Shares held by the New SPAC Sponsor would be \$[•];
- the fact that the Sponsors are anticipated to hold 18.10% of issued and outstanding shares of CayCo immediately following the Business Combination (assuming no redemptions of holders of SPAC Class A Ordinary Shares and the exercise of SPAC Private Placement Warrants);
- the fact that given the differential in the purchase price that the Sponsors paid for the SPAC Class B Ordinary Shares and the purchase price that the Sponsors paid for the SPAC Private Placement Warrants as compared to the price of the SPAC Class A Ordinary Shares and SPAC Public Warrants and the substantial number of SPAC Class A Ordinary Shares that the Sponsors will receive upon conversion of the SPAC Class B Ordinary Shares and (as applicable) SPAC Private Placement Warrants, the Sponsors can earn a positive return on their investment, even if holders of SPAC Class A Ordinary Shares have a negative return on their investment;
- the fact that the Sponsors have agreed not to redeem any SPAC Ordinary Shares held by them in connection with the shareholder vote to approve a proposed initial business combination pursuant to the SPAC IPO Letter Agreement;
- the fact that the Sponsors will lose their entire investment in SPAC if an initial business combination is not consummated by the Extended Deadline Date. The Sponsors, SPAC's directors and officers, and their respective affiliates have not incurred any out-of-pocket fees and expenses in relation to the initial business combination since the SPAC IPO, except that, on October 25, 2023, SPAC issued a non-interest bearing non-convertible unsecured promissory note to the New SPAC Sponsor, for a principal amount of up to \$1,960,000. SPAC may further draw down up to \$960,000 under the promissory note to pay the Contributions, and up to \$519,400 for general corporate purposes. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. As of the date hereof, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note;
- the fact that the Sponsors have agreed to waive their rights to liquidating distributions from the Trust Account with respect to SPAC Class B Ordinary Shares held by them if SPAC fails to complete an initial business combination by the Extended Deadline;
- the fact that the Sponsors, SPAC's directors and officers, and their respective affiliates are entitled to reimbursement of reasonable out-of-pocket expenses incurred by them in connection with certain activities on SPAC's behalf, such as identifying and investing possible business targets and business combinations.

However, if SPAC fails to consummate a business combination within the required period, they will not have any claim against the Trust Account for reimbursement. Accordingly, SPAC may not be able to reimburse these expenses if the Business Combination or another business combination is not completed by the Extended Deadline;

- the right of the Sponsors to hold the CayCo Ordinary Shares and CayCo Warrants following the Business Combination, subject to certain lock-up periods;
- in the event of the liquidation of the Trust Account upon the failure of SPAC to consummate a business combination by the Extended Deadline, the Sponsors have agreed to indemnify SPAC to ensure that the proceeds in the Trust Account are not reduced below \$10.20 per SPAC Class A Ordinary Share, or such lesser per-public share amount as is in the Trust Account on the liquidation date, by the claims of prospective target businesses with which SPAC has entered into a written letter of intent, confidentiality or other similar agreement or claims of any third party (other than its independent public accountants) for services rendered or products sold to SPAC, provided that such indemnification will not apply to any claims by a third party that executed a waiver of any and all rights to seek access to the Trust Account, nor will it apply to any claims under indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act;
- the Sponsors (including its representatives and affiliates) and SPAC's officers and directors are, or in the future may become, affiliated with entities that are engaged in similar business to SPAC. For example, the New SPAC Sponsor is controlled by Mr. Richard Qi Li, who also served as a director and the chief executive officer of HH&L Acquisition Co., a NYSE-listed special purpose acquisition company, and as chairman of the board of Chenghe Acquisition Co., a Nasdaq-listed special purpose acquisition company. The chief executive officer and chief financial officer of SPAC, Ms. Zhiyang Zhou, also served as chief financial officer of Chenghe Acquisition Co. The chairman of SPAC Board, Dr. Shibin Wang, served as chief executive officer of Chenghe Acquisition Co. The Sponsors and SPAC's officers and directors are not prohibited from sponsoring, or otherwise becoming involved with, another blank check company prior to SPAC completing its initial business combination. SPAC's officers and directors may become aware of business opportunities which may be appropriate for presentation to SPAC, and the other entities to which they owe certain fiduciary or contractual duties. Accordingly, they may have had conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in SPAC's favor and such potential business opportunities may be presented to other entities prior to their presentation to SPAC, subject to applicable fiduciary duties under Cayman Islands law. SPAC MAA provide that SPAC renounces its interest in any corporate opportunity offered to any officer or director of SPAC. This waiver allows SPAC's officers and directors to allocate opportunities based on a combination of the objectives and fundraising needs of the target, as well as the investment objectives of the entity. SPAC does not believe that the waiver of the corporate opportunities doctrine otherwise had a material impact on its search for an acquisition target;
- the fact that the Business Combination Agreement provides for the continued indemnification of SPAC's existing directors and officers and the continuation of the directors' and officers' liability insurance after the Business Combination; and
- the fact that SPAC has entered into a registration rights agreement with the Sponsors, which provides for customary registration rights to them and their permitted transferees.

Vote of SPAC's Sponsors

Pursuant to the SPAC IPO Letter Agreement, each of the New SPAC Sponsor, the Old SPAC Sponsor, and SPAC's then directors, officers and advisors agreed to vote any SPAC Ordinary Shares, including the Founder Shares and Converted SPAC Public Shares, owned by them in favor of an initial business combination of SPAC. Each has also waived any redemption rights, including with respect to SPAC Class A Ordinary Shares purchased in SPAC IPO or in the aftermarket, in connection with the Business Combination. The SPAC Class B Ordinary Shares and the Converted SPAC Public Shares held by the Sponsors have no redemption rights upon SPAC's liquidation and will be worthless if no business combination is effected by the SPAC Termination Date. However, the Sponsors are entitled to redemption rights upon SPAC liquidation with respect to any SPAC Class A Ordinary Shares they may acquire from the public market if no business combination is effected by the SPAC Termination Date.

Voting Power; Record Date

Only shareholders of record at the close of business on [•], 2024, the Record Date for the SPAC

Shareholders' Meeting, will be entitled to vote at the SPAC Shareholders' Meeting.

Each SPAC Ordinary Share owned as of the close of business on the Record Date is entitled to one vote. If your shares are held in "street name" or are in a margin or similar account, you should contact your broker, bank or other nominee to ensure that votes related to the shares you beneficially own are properly counted. On the Record Date, there were [•] SPAC Class A Ordinary Shares issued and outstanding and [•] SPAC Class B Ordinary Shares issued and outstanding. All SPAC Class B Ordinary Shares as of the Record Date were held by Sponsors.

Quorum and Required Vote

A quorum is the minimum number of SPAC Ordinary Shares that must be present to hold a valid meeting. The holders of majority of the SPAC Ordinary Shares being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorized representative or proxy shall be a quorum. Abstentions will count as present for the purposes of establishing a quorum. Broker non-votes will not count as present for the purposes of establishing a quorum. SPAC Class A Ordinary Shares and SPAC Class B Ordinary Shares are entitled to vote together as a single class on all matters to be considered at the SPAC Shareholders' Meeting. Voting on all resolutions at the SPAC Shareholders' Meeting will be conducted by way of a poll vote. Shareholders will have one vote for each SPAC Ordinary Shares owned at the close of business on the Record Date.

Under Cayman Islands law and pursuant to SPAC MAA, each of the Merger Proposal and the Articles Amendment Proposals will require a special resolution, being the affirmative vote of shareholders holding at least two-thirds of SPAC Ordinary Shares which are voted on such resolution in person or by proxy at the SPAC Shareholders' Meeting at which a quorum is present. Each of the Business Combination Proposal, the Authorized Share Capital Amendment Proposal and the Adjournment Proposal will require an ordinary resolution, being the affirmative vote of shareholders holding a majority of SPAC Ordinary Shares which are voted on such resolution in person or by proxy at the SPAC Shareholders' Meeting at which a quorum is present.

Abstentions and Broker Non-Votes

Abstentions are considered present for the purposes of establishing a quorum but, as a matter of Cayman Islands law, will not constitute a vote cast at the SPAC Shareholders' Meeting and therefore will have no effect on the approval of each of the SPAC Shareholder Proposals as a matter of Cayman Islands law. Broker non-votes do not count as votes cast.

In general, if your shares are held in "street name" and you do not instruct your broker, bank or other nominee on a timely basis on how to vote your shares, your broker, bank or other nominee, in its sole discretion, may either leave your shares unvoted or vote your shares on routine matters, but not on any non-routine matters. None of the SPAC Shareholder Proposals at the SPAC Shareholders' Meeting are routine matters. As such, without your voting instructions, your brokerage firm cannot vote your shares on any proposal to be voted on at the SPAC Shareholders' Meeting.

Voting Your Shares

If you are a holder of record of SPAC Ordinary Shares, there are two ways to vote your ordinary shares at the Extraordinary General Meeting:

- *By Mail.* You may submit your proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope so that it is received no later than 48 hours before the time appointed for the holding of the SPAC Shareholders' Meeting (or, in the case of an adjournment, no later than 48 hours before the time appointed for the holding of the adjourned meeting). If you vote by proxy card, your "proxy," whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card but do not give instructions on how to vote your shares, your shares will be voted "FOR" all of the proposals in accordance with the recommendation of SPAC Board. Proxy cards received after the time specified above will not be counted.

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- *In Person.* You may attend the SPAC Shareholders' Meeting and vote in person, including virtually over the Internet by joining the live audio webcast and vote electronically by submitting a ballot through the web portal during the SPAC Shareholders' Meeting webcast. You may attend the SPAC Shareholders' Meeting webcast by accessing the web portal located at [•] and following the instructions set forth on your proxy card.

Revoking Your Proxy

If you are a holder of record of SPAC Ordinary Shares and you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

- You may send another signed proxy card to SPAC Transfer Agent at the address set forth herein so that it is received no later than 48 hours before the time appointed for the holding of the SPAC Shareholders' Meeting (or, in the case of an adjournment, no later than 48 hours before the time appointed for the holding of the adjourned meeting);
- You may notify SPAC Board in writing, prior to the vote at the SPAC Shareholders' Meeting, that you have revoked your proxy; or
- You may attend the SPAC Shareholders' Meeting and vote in person, including over the Internet by joining the live audio webcast and vote electronically by submitting a ballot through the web portal during the SPAC Shareholders' Meeting, although your attendance alone will not revoke any proxy that you have previously given.

If you hold your SPAC Class A ordinary shares in "street name," you may submit new instructions on how to vote your shares by contacting your broker, bank or other nominee.

Who Can Answer Your Questions about Voting Your Shares

If you have any questions about how to vote or direct a vote in respect of your ordinary shares, you may call [•], SPAC's proxy solicitor, at +1 [•], or banks and brokers can call at +1 [•], or by emailing [•].

Redemption Rights

SPAC Public Shareholders may seek to redeem their SPAC Class A Ordinary Shares for cash, regardless of whether they vote for or against, or whether they abstain from voting on, the Business Combination Proposal. Any SPAC Public Shareholders may demand that SPAC redeem such SPAC Class A Ordinary Shares for a pro rata portion of the funds deposited in the Trust Account (which, for illustrative purposes, was \$[•] per share as of the Record Date), calculated as of two (2) Business Days prior to the anticipated consummation of the Business Combination. If a SPAC Public Shareholder properly seeks redemption as described in this section and the Business Combination is consummated, SPAC will redeem their SPAC Class A Ordinary Shares for a pro rata portion of funds deposited in the Trust Account and the holder will no longer own these shares following the Business Combination.

In order to exercise your redemption rights, you must:

- if you hold SPAC Units, separate the underlying SPAC Class A Ordinary Shares and SPAC Public Warrants;
- check the box on the enclosed proxy card marked "Shareholder Certification" if you are not acting in concert or as a "group" (as defined in Section 13d-3 of the Exchange Act) with any other shareholder with respect to ordinary shares; and
- prior to 5:00 p.m. Eastern Time on [•], 2024 (two (2) Business Days before the SPAC Shareholders' Meeting), tender your shares by either delivering their share certificates (if any) and other redemption forms to SPAC Transfer Agent or by delivering your shares electronically using The Depository Trust Company's DWAC System. Shareholders seeking to exercise their redemption rights and opting to deliver physical certificates should allot sufficient time to obtain physical certificates from the SPAC Transfer Agent and time to effect delivery. It is understood that shareholders should generally allot at least two weeks to obtain physical certificates from the SPAC Transfer Agent. However, we do not have any control over this process, and it may take longer than two weeks. Shareholders who hold their shares in "street name" will have to coordinate with their bank, broker or other nominee to have the shares certificated or delivered electronically.

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SPAC Transfer Agent can be contacted at the following address:

Continental Stock Transfer & Trust Company
1 State Street 30th Floor
New York New York 10004
Attn: SPAC Redemption Team
Email: spacredemptions@continentalstock.com

Notwithstanding the foregoing, a SPAC Public Shareholder,, together with any affiliate of his or any other person with whom he is acting in concert or as a “group” (as defined in Section 13(d)(3) of the Exchange Act), will be restricted from seeking redemption rights with respect to more than 15% of the SPAC Class A Ordinary Shares. Accordingly, all SPAC Class A Ordinary Shares in excess of 15% held by a SPAC Public Shareholder, together with any affiliate of such holder or any other person with whom such holder is acting in concert or as a “group,” will not be redeemed for cash. The Sponsors also will not have redemption rights with respect to such shares.

There is a nominal cost associated with this tendering process and the act of certificating the shares or delivering them through the DWAC system. SPAC Transfer Agent will typically charge the tendering broker \$80.00, and it would be up to the broker whether or not to pass this cost on to the redeeming shareholder. In the event the Business Combination is not consummated this may result in an additional cost to shareholders for the return of their shares.

The requirement for physical or electronic delivery prior to the SPAC Shareholders’ Meeting ensures that a redeeming shareholder’s election to redeem is irrevocable once the Business Combination is approved. If you do not submit a written request and deliver your SPAC Class A Ordinary Shares as described above, your shares will not be redeemed. If you exercise your redemption rights, then you will be exchanging your shares for cash and will no longer own those shares. You will be entitled to receive cash for these shares only if, prior to the deadline for submitting redemption requests, you properly demand redemption by following the procedure described above, and the Business Combination is consummated.

Any request to redeem such shares, once made, may be withdrawn at any time up to the deadline for submitting redemption requests, which is [•], 2024, (two (2) Business Days prior to the date of the SPAC Shareholders’ Meeting), and thereafter, with our consent, until the Closing. Furthermore, if a SPAC Public Shareholder delivered its share certificate and other redemption forms to the SPAC Transfer Agent or delivered its SPAC Class A Ordinary Shares electronically using The Depository Trust Company’s DWAC System in connection with an election of its redemption and subsequently decides prior to the applicable date not to elect to exercise such rights, it may simply request that the SPAC Transfer Agent return the certificate (physically or electronically).

If the Business Combination is not approved or completed for any reason, then shareholders who appointed to exercise their redemption rights will not be entitled to redeem their shares for a pro rata portion of the funds deposited in the Trust Account. In such case, SPAC will promptly return any shares tendered for redemption by shareholders. If SPAC would be left with less than \$5,000,001 of net tangible assets as a result of shareholders properly demanding redemption of their shares for cash, SPAC will not be able to consummate the Business Combination as this is a Closing Condition, unless all parties waive such condition. For further discussion of the net tangible assets requirement, please see “*Questions and Answers About the Business Combination and the Extraordinary General Meeting — What happens if a substantial number of Public Shareholders vote in favor of the Business Combination Proposal and exercise their redemption rights?*” and “*Questions and Answers About the Business Combination and the Extraordinary General Meeting — What conditions must be satisfied to complete the Business Combination?*”.

The closing price of SPAC Class A Ordinary Shares on the Record Date was \$[•]. The cash held in the Trust Account on such date was approximately \$[•] (\$[•] per share). Prior to exercising redemption rights, shareholders should verify the market price of SPAC Class A Ordinary Shares as they may receive higher proceeds from the sale of their SPAC Class A Ordinary Shares in the public market than from exercising their redemption rights if the market price per share is higher than the redemption price. There is no assurance that you will be able to sell your SPAC Class A Ordinary Shares in the open market, even if the market price per share is higher than the redemption price stated above, as there may not be sufficient liquidity in SPAC’s securities when you wish to sell your shares.

For a detailed discussion of the material U.S. federal income tax considerations for shareholders with respect to the exercise of these redemption rights, see the section entitled “*Material U.S. Federal Income Tax Considerations.*” The consequences of a redemption to any particular shareholder will depend on that shareholder’s particular facts and circumstances. Accordingly, you should consult your tax advisor to determine your tax consequences from the exercise of your redemption rights, including the applicability and effect of U.S. federal, state, local and non-U.S. income and other tax laws in light of your particular circumstances.

Appraisal Rights under the Cayman Companies Act

The Cayman Companies Act prescribes when shareholder appraisal rights will be available and sets the limitations on such rights. Where such rights are available and have been validly exercised and not effectively withdrawn or lost, dissenting shareholders are entitled to receive fair value for their shares as determined by the

Regardless of whether shareholder appraisal rights are or are not available, Holders of SPAC Class A Ordinary Shares are still entitled to exercise the rights of redemption as set out herein. However, Holders of SPAC Class A Ordinary Shares who elect to exercise appraisal rights will lose their right to exercise their redemption rights as described herein.

In order for Holders of SPAC Class A Ordinary Shares to validly exercise their appraisal rights in connection with the Business Combination under the Cayman Companies Act, they must provide to SPAC prior to the SPAC Shareholders' Meeting their written objection to the Business Combination and a statement demanding the payment for their SPAC Class A Ordinary Shares, and subsequently comply with all procedures and requirements set out in Section 238 of the Cayman Companies Act for the exercise of shareholder appraisal rights.

In essence, that procedure is as follows: (i) as noted above, the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (ii) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice of such approval to each shareholder who made a written objection; (iii) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent in respect of all of his shares, including, among other details, a demand for payment of the fair value of his shares; (iv) within seven days following the date of the expiration of the period set out in (iii) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his, her or its shares at a price that the company determines is the fair value and if the company and the dissenting shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the dissenting shareholder such amount; and (v) if the company and the dissenting shareholder fail to agree on a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company must (and any dissenting shareholder may) file a petition with the Grand Court of the Cayman Islands to determine the fair value of their shares and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached.

Proxy Solicitation Costs

SPAC is soliciting proxies on behalf of SPAC Board. This solicitation is being made by mail but also may be made by telephone, virtually or by electronic means or in person. SPAC will bear the cost of the solicitation.

SPAC has hired [•] to assist in the proxy solicitation process and will pay to [•] a fee of \$[•], plus disbursements. SPAC will also reimburse [•] for reasonable and customary out-of-pocket expenses. SPAC will ask banks, brokers and other institutions, nominees and fiduciaries to forward the proxy materials to their principals and to obtain their authority to execute proxies and voting instructions and will reimburse them for their reasonable expenses.

In addition to these mailed proxy materials, SPAC's directors and executive officers may also solicit proxies in person, by telephone or by other means of communication. These parties will not be paid any additional compensation for soliciting proxies.

Other Matters

The SPAC Shareholders' Meeting has been called to consider only the approval of the SPAC Shareholder Proposals and the Adjournment Proposal if presented. If any other matters should properly come before the SPAC Shareholders' Meeting, it is intended that the shares represented by proxies will be voted with respect to such matters in accordance with the judgment of the persons voting the proxies.

SPAC SHAREHOLDER PROPOSAL NO. 1 — THE BUSINESS COMBINATION PROPOSAL

Overview

SPAC is asking its shareholders to approve the Business Combination Agreement and the Business

Combination described in this Registration Statement/Proxy Statement, including (i) adopting the Business Combination Agreement and (ii) approving the Transactions. SPAC Shareholders should carefully read this Registration Statement/Proxy Statement in its entirety for more detailed information concerning the Business Combination Agreement and Transactions. A copy of the Business Combination Agreement is attached as Annex A to this Registration Statement/Proxy Statement. Please see the section entitled “*The Business Combination Agreement and Ancillary Documents*” for additional information and a summary of certain terms of the Business Combination Agreement and the other Transaction Agreements. You are urged to carefully read the Business Combination Agreement in its entirety before voting on this proposal.

SPAC may consummate the Business Combination only if SPAC receives an ordinary resolution under Cayman Islands law, which requires the affirmative vote of at least a majority of the shareholders who attend and vote at the SPAC Shareholders’ Meeting.

Business Combination Agreement

On December 22, 2023, SPAC entered into the Business Combination Agreement with CayCo, FST and Merger Sub, which provides for the Business Combination and other transactions in connection therewith. Upon the consummation of the Business Combination and other transactions contemplated by the Business Combination Agreement, SPAC will become a wholly-owned subsidiary of CayCo, with the shareholders of SPAC becoming shareholders of CayCo, and SPAC will change its name to “FST Ltd.”.

Pursuant to SPAC MAA, holders of SPAC Class A Ordinary Shares may redeem SPAC Class A Ordinary Shares in conjunction with a shareholder vote on the Transactions, if certain conditions and procedure requirements are satisfied. See the subsection entitled “*Extraordinary General Meeting of SPAC Shareholders — Redemption Rights*” for a detailed description of the redemption procedure.

Transaction Structure

The Business Combination Agreement provides that at the Closing, in accordance with the Cayman Companies Act, Merger Sub will merge with and into SPAC, the separate corporate existence of Merger Sub will cease and SPAC will be the surviving company and become a wholly-owned subsidiary of CayCo.

Pro Forma Capitalization

The pro forma equity valuation of CayCo upon consummation of the Transactions is estimated to be \$400,000,000. It is estimated that, upon consummation of the Transactions, assuming the Company Acquisition Percentage is 100% at the consummation of the FST Restructuring and none of the holders of SPAC Class A Ordinary Shares demand redemption pursuant to SPAC MAA (and assuming all of the issued and outstanding SPAC Warrants was exercised), the pre-Closing shareholders of FST will own approximately 64.94% of CayCo’s total issued and outstanding share capital, the SPAC Public Shareholders will own approximately 6.40% of CayCo’s total issued and outstanding share capital and the Sponsors and their respective affiliates will own approximately 18.10% of CayCo’s total issued and outstanding share capital. For more details, see the section entitled “*Unaudited Pro Forma Condensed Consolidated Financial Information*.”

The Merger Consideration of the Business Combination

See the subsection entitled “*The Business Combination Agreement and Ancillary Documents — Conditions to Closing of the Business Combination*.”

Background of the Business Combination

The terms of the Business Combination Agreement and the Ancillary Documents are the result of extensive negotiations between Chenghe, FST and their respective representatives. The following is a brief description of the background of Chenghe’s previous attempts at a business combination, its negotiations with and evaluation of FST,

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the Business Combination Agreement, the Business Combination and the related transactions, after the Sponsor Sale. The following is not intended to be a list of all opportunities initially evaluated or explored or discussions held by Chenghe, but rather to summarize the key meetings and events that led to the signing of the Business Combination Agreement with FST. It includes all information that Chenghe and FST consider material regarding the negotiation of the Business Combination. All dates and times referred to in the following chronology are Hong Kong time unless otherwise indicated.

Prior to the consummation of the SPAC IPO, Chenghe had not selected any business combination target and

it had not, nor had anyone acting on its behalf, initiated any substantive discussion, directly or indirectly, with any business combination target.

From the consummation of the SPAC IPO on January 27, 2022 to the date of Sponsor Sale, Chenghe's previous management team commenced an active search for prospective businesses and assets to acquire. During this search process, Chenghe evaluated over five (5) potential targets. Chenghe had not entered into any definitive agreement with any target for a business combination transaction.

On September 29, 2023, SPAC, the Old SPAC Sponsor and the New SPAC Sponsor entered into a securities purchase agreement ("**Sponsor Sale SPA**"), pursuant to which the New SPAC Sponsor acquired an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor for an aggregate purchase price of \$1.00 plus the New SPAC Sponsor's agreement to deposit into the Trust Account (a) on the closing of the Sponsor Sale, \$450,000 for due and payable extension contribution payment incurred prior to the date of the Sponsor Sale SPA and (b) on any other applicable due date, other extension payments that may become due after the Sponsor Sale, and in accordance with the Trust Agreement.

In addition to the Sponsor Sale SPA, the New SPAC Sponsor also entered into the Joinder to the Registration Rights Agreement pursuant to which the New SPAC Sponsor agreed to become a party to the Registration Rights Agreement dated as of January 24, 2022 by and among Chenghe, the Old SPAC Sponsor and other parties named therein.

Further, in addition to the Sponsor Sale SPA, the New SPAC Sponsor entered into the joinder to the SPAC IPO Letter Agreement pursuant to which the New SPAC Sponsor agreed to become a party to the SPAC IPO Letter Agreement dated as of January 24, 2022 by and among Chenghe, the Old SPAC Sponsor and the other parties named therein.

The Sponsor Sale SPA contains customary representations and warranties of the parties, including, among others, with respect to corporation organization, corporate authority, and compliance with applicable laws. The representations and warranties of each party set forth in the Sponsor Sale SPA were made solely for the benefit of the other parties to the Securities Purchase Agreement, and investors are not third-party beneficiaries of the Sponsor Sale SPA. In addition, such representations and warranties (i) were made only as of the date of the Sponsor Sale SPA or such other date as is specified in the Sponsor Sale SPA, and (ii) may have been included in the Sponsor Sale SPA for the purpose of allocating risk between the parties rather than establishing matters as facts.

On October 4, 2023, Chenghe issued a press release and filed a Current Report on Form 8-K to announce, among others, the Sponsor Sale SPA.

On October 6, 2023, the Sponsor Sale was consummated, following which, the Old SPAC Sponsor owns 600,000 SPAC Class B Ordinary Shares and no SPAC Private Placement Warrant.

Upon the consummation of the Sponsor Sale, Chenghe's previous directors, officers and advisors resigned from their positions, and Dr. Shilin Wang, Ning Ma, Kwan Sun and James Zhang were appointed as directors of Chenghe and Zhiyang Zhou was appointed chief executive officer and chief financial officer of Chenghe.

Description of discovery and negotiation process with potential targets

Prior to the closing of the Sponsor Sale, the New SPAC Sponsor began the process of searching for a potential business combination target for Chenghe. Chenghe sought to leverage its management team and directors' professional and personal relationships to source potential targets, including (i) Dr. Shilin Wang (the chairman of the Chenghe Board, who has over 16 years' experience in sales and trading of structured financial products, cross-border financing

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and other capital market activities), (ii) the industry connections built through the previous successful de-SPAC transaction led by Chenghe's directors and officers, and (iii) the extensive investment experience of Chenghe's other directors and officers.

In performing their roles at Chenghe and for other positions they hold, Chenghe's management team attended a variety of industry conferences and performed industry research, including, among others, telecommunication, media and technologies (TMT), green energy, biotechnology, fintech in the Asia Pacific region. The foregoing efforts led to the identification of a multitude of potential targets. Representatives of Chenghe contacted and communicated with these third parties for initial informational purposes. During this search process, Chenghe identified and conducted preliminary evaluations of 22 potential targets.

Chenghe's initial evaluations consisted of a review of each potential target's business, including but not limited to business due diligence, commercial due diligence, financial due diligence and legal due diligence, and such potential targets are from a variety of TMT, green energy, biotechnology, fintech sectors.

The New SPAC Sponsor and its affiliates entered into non-disclosure agreements (the "NDAs") with more than 10 potential targets that evidenced some or all of the following characteristics: the development of a robust go-to-market strategy, the profitability of the existing operations, the access to sizeable addressable market, the competitive position in the industry landscape, the establishment of thorough and long-lasting intellectual property protections, the creation of a novel technology or technologies, the distinguishing brand presence in local markets, the capabilities of in-house research, development and manufacturing, the scale of operation, and the implementation of necessary operational requirements.

Of the 22 companies that Chenghe evaluated, FST in particular met and exceeded the criteria that Chenghe sought in seeking to identify a potential business combination target. FST's product line-up, the historic profitability of its operation, the maturity of its targeted markets, its global brand recognition, and progress in product development, in Chenghe's view, were sufficient to support their continuous expansion in the local and global markets. The other targets evaluated by Chenghe failed to meet the criteria for the following reasons: (1) the early stage in product development, (2) the uncertainties in commercialization prospects, (3) the needs for additional financing to support further research and development, (4) regulatory uncertainties, and (5) historic financial performance.

FST is a Taiwanese company engaged in the research and development, production and sales of golf shafts. From September 21, 2023 to September 23, 2023, representatives of the New SPAC Sponsor visited representatives of FST in Taiwan. On September 22, 2023, representatives of the New SPAC Sponsor attended a meeting with FST's management team discussing a potential business combination transaction.

From September 25, 2023 to September 27, 2023, representatives of the New SPAC Sponsor, White & Case, the legal advisor to the New SPAC Sponsor (and subsequently after the consummation of the Sponsor Sale, Chenghe), FST and Landi Law Firm, the legal advisor to FST, discussed and negotiated a draft letter of intent, including key issues, such as valuation, Chenghe's right to nominate certain number of board members to the combined company, and payment of extension expenses.

In negotiating the LOI, the New SPAC Sponsor's representatives, advised by its financial advisor, based their valuation of FST on several factors, including, but not limited to, (i) detailed review, and where appropriate, adjustment, of company-provided financial projections; (ii) a discounted cash flow modeling exercise; and (iii) benchmarking analysis against publicly trading peers in the market, as well as sector-relevant SPAC deals announced but not yet closed.

On September 27, 2023, the New SPAC Sponsor and FST entered into a letter of intent (the "FST LOI"). The FST LOI provided for, among other things, (i) a pre-money equity valuation of FST at US\$350 million to US\$450 million; (ii) no minimum cash requirement as a condition to closing; and (iii) after the definitive agreement is signed, FST shall pay Chenghe approximately US\$70,000 to US\$80,000 per month for extension related expenses.

In the week following the execution of the FST LOI, the parties discussed and agreed on a work plan to (i) conduct legal, finance, business and tax due diligence with FST, (ii) prepare and implement transaction structure, and (iii) prepare and negotiate definitive agreements, including the business combination agreement and ancillary documents.

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On October 4, 2023, the New SPAC Sponsor (and subsequently after the consummation of the Sponsor Sale, Chenghe) engaged Lee and Li, Attorneys-at-Law ("**Lee and Li**"), as its Taiwan counsel, and Maples and Calder (Hong Kong) LLP ("**Maples**"), as its Cayman Islands counsel.

From October to December of 2023, representatives of the New SPAC Sponsor received access to FST's virtual data room and a series of emails, calls and materials were exchanged between Chenghe and FST. These exchanges included discussions of strategic, commercial and capital-raising plans and the transaction structure for implementing a business combination between FST and Chenghe.

From October 4, 2023 to the execution of the Business Combination Agreement on December 22, 2023, representatives of the New SPAC Sponsor, White & Case, Lee and Li and Maples continued legal due diligence on FST, including, but not limited to, corporate structure, historical financing activities, data and privacy, intellectual property, material contracts, litigation, real and personal properties, employee matters, antitrust and compliance. During this process, White & Case and Lee and Li circulated six rounds of supplemental legal due diligence request list to FST and Landi Law Firm, and reviewed all responses relating thereto and highlighted key legal issues with Chenghe's management.

From October 5, 2023 to December 9, 2023, representatives of Chenghe or the New SPAC Sponsor (as applicable), FST, White & Case, Lee and Li, and Landi Law Firm, together with Deloitte Touche Tohmatsu (“**Deloitte**”), Chenghe’s tax advisor engaged by Chenghe on October 6, 2023, discussed the preliminary transaction structure via various teleconferences and reviewed the transaction structure proposal from a US, Taiwan, and Cayman tax perspective. They also exchanged multiple drafts of the transaction structure proposal to reflect the discussions and feedbacks from Chenghe, FST, and their respective financial, tax and legal advisors regarding the transaction structures.

From October 16, 2023 to October 18, 2023, representatives of FST visited representatives of Chenghe in Hong Kong to discuss the transaction timeline and the work plan of the proposed business combination between FST and Chenghe.

On November 17, 2023, representatives of White & Case shared an initial draft of the Business Combination Agreement with representatives of FST and Landi Law Firm, which reflected, among other items, (i) a pre-money equity valuation of FST at US\$400 million on a fully diluted basis; (ii) that CayCo, FST and a newly incorporated Taiwan company will consummate the FST Restructuring by way of share exchange before the Closing; (iii) that FST and CayCo shall obtain the Taiwan DIR Approval within the prescribed time; (iv) that FST shall bear all filing fees in connection with the registration statement or the proxy statement, all costs and fees in connection with the FST Restructuring and the SPAC Extension; and (v) that FST shall pay and reimburse all SPAC Transaction Expenses if the Business Combination Agreement is terminated by Chenghe.

On November 20, 2023, representatives of White & Case shared with representatives of FST and Landi Law Firm initial drafts of certain ancillary documents to the Business Combination Agreement, namely (i) the Sponsor Support Agreement, (ii) the Company Shareholder Support Agreement, (iii) the Investor Rights Agreement, and (iv) the Lock-Up Agreement. The Lock-Up Agreement reflected (x) that subject to certain exceptions, the CayCo Ordinary Shares held by the Sponsor Key Holders and the FST Shareholders that are outstanding immediately following the Closing, shall be subject to a lock-up period of six (6) months, and (y) the locked-up shares would be released from the lock-up restrictions prior to the expiration of the six (6)-month period if the closing price of CayCo Ordinary Shares equals or exceeds US\$12.00 per share for any twenty (20) trading days within any thirty (30)-trading day period after 150 days following the Closing.

On November 22, 2023, representatives of White & Case shared with representatives of FST and Landi Law Firm initial drafts of certain ancillary documents to the Business Combination Agreement, namely (i) form of the Plan of Merger, and (ii) form of the Amended and Restated Memorandum and Articles of Association of CayCo.

On November 24, 2023, representatives of Landi Law Firm shared with representatives of White & Case revised drafts of the Business Combination Agreement, which, among others, reflected (i) that CayCo and FST will consummate the FST Restructuring by way of executing Company Restructuring Documents with FST Shareholders; (ii) that FST shall bear all costs and fees in connection with the SPAC Extension which shall not exceed US\$80,000; and (iii) material adverse effect qualification in certain FST representations.

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On the same day, representatives of Landi Law Firm shared with representatives of White & Case comments on (i) the Company Shareholder Support Agreement, (ii) the Investor Rights Agreement, (iii) the Lock-Up Agreement, (iv) form of the Plan of Merger, and (v) form of the Amended and Restated Memorandum and Articles of Association of CayCo. The revised Lock-Up Agreement reflected FST’s position that (x) only the FST Shareholders that own 5% or more of the equity in FST should sign the Lock-Up Agreement, and (y) transfers from existing shareholders of CayCo to FST’s directors, officers or employees, or other CayCo shareholders should be permitted during the lockup period.

On the same day, representatives of White & Case shared with Chenghe’s management team summaries of their and Lee and Li’s legal due diligence process to date and interim key findings. The legal due diligence process included, but was not limited to, (i) a comprehensive review of materials provided by FST, including materials from FST in response to requests of Chenghe’s advisors for follow-up data and information, as well as FST’s responses to due diligence questions, and (ii) summaries of key findings with respect to regulatory approvals required in connection with the Transaction (including the Taiwan DIR Approval and filings of FST as a Taiwan Public Company), and regulatory compliance with anti-money laundering and sanctions, and material contracts.

From November 28, 2023 to November 29, 2023, representatives of Chenghe, FST, White & Case and Landi Law Firm exchanged comments on the revised structure of the FST Restructuring and transaction timeline, and responses relating to Taiwan legal and regulatory issues, including among others, (i) restructuring FST and CayCo in two phases, (ii) the estimated time to secure the Taiwan DIR Approval, (iii) legal matters relating to FST as a Taiwan Public Company, (iv) signing of the Company Restructuring Documents, and (v) formation of CayCo and Merger Sub.

On November 30, 2023, representatives of White & Case shared a revised draft of the Business Combination Agreement with representatives of FST and Landi Law Firm, which reflected, among others, (i) FST to obtain the Company Shareholder Approval no later than a prescribed time; (ii) the FST Restructuring shall be consummated before the Closing in two phases, including among others, FST shall (A) deliver the Phase I Restructuring Documents and the Phase II Restructuring Documents within the prescribed time, which is also included as a termination trigger; (B) obtain the Phase I DIR Approval and the Phase II DIR Approval within the prescribed time; and (C) procure that the Company Acquisition Percentage shall be at least 90%, which is also included as a closing condition; (iii) a size cap of 55% of the FST Shareholders signing the Phase I Restructuring Documents; (iv) FST shall complete the de-registration from Taiwan Stock Market and the termination of its Taiwan Public Company status (collectively, the “**FST Withdrawal**”) by the prescribed time; (v) FST shall acquire the Company Shares owned by the Remaining Company Shareholders with cash consideration; and (vi) inclusion of a termination fee payable by FST to Chenghe if the Business Combination Agreement is terminated by Chenghe or FST pursuant to the termination triggers.

On December 1, 2023, representatives of White & Case shared with representatives of Landi Law Firm and FST comments on the Lock-Up Agreement, which reflected Chenghe’s position that (i) it is not customary to include transfers to FST’s directors, officers and employees, and other shareholders as permitted transfers during the lockup period; and (ii) each FST Shareholder that owns 1% or more of equity shares in FST shall sign the Lock-Up Agreement.

On December 5, 2023, FST’s financial advisor circulated the pro forma capitalization table of CayCo as of the Closing Date.

On December 6, 2023, representatives of Landi Law Firm shared a revised draft of the Business Combination Agreement with representatives of Chenghe and White & Case, which reflected, among other, (i) rejection of FST’s obligation to acquire the Company Shares from the Remaining Company Shareholders; (ii) rejection of the prescribed time to complete the FST Withdrawal; (iii) rejection of the prescribed time to sign the Company Restructuring Documents and to obtain the Taiwan DIR Approvals; (iv) amendment of the agreement end date to December 31, 2024; (v) addition of material breach of Chenghe’s obligations as a termination trigger; (vi) rejection of obtaining the Company Shareholder Approval as a termination trigger; and (vii) rejection of termination fee and that Chenghe shall pay and reimburse all Company Transaction Expenses if the Business Combination Agreement is terminated by FST pursuant to the termination trigger.

On December 7, 2023, representatives of Landi Law Firm shared with representatives of Chenghe and White & Case a revised draft of the Investor Rights Agreement, which reflected, among others, a cap of US\$30,000 on the fees and expenses to be paid by CayCo in connection with the obligations under the Investor Rights Agreement.

On the same day, representatives of White & Case and Landi Law Firm exchanged initial drafts of the Company disclosure letter and SPAC disclosure letter.

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On December 8, 2023, representatives of Chenghe, FST, White & Case and Landi Law Firm and other parties had a teleconference to discuss the comments on the Business Combination Agreement, including among others, (i) the timeline of the FST Restructuring; (ii) the obligation to acquire the Company Shares from the Remaining Company Shareholders; (iii) the termination triggers; (iv) the termination fees; and (v) the agreement end date.

On December 9, 2023, representatives of Landi Law Firm shared with representatives of Chenghe and White & Case revised drafts of the Company disclosure letter and additional due diligence documents of FST.

On the same day, representatives of White & Case shared a revised draft of the Business Combination Agreement with representatives of FST and Landi Law Firm, which reflected, among other items, (i) reinstatement of a prescribed time for the application of the FST Withdrawal; (ii) reinstatement of FST’s obligation to acquire the Company Shares from Remaining Company Shareholders; (iii) reinstatement of a prescribed time to deliver the Phase II Restructuring Documents and apply for the Taiwan DIR Approval; (iv) amendment of the agreement end date to October 26, 2024; (v) addition of a cure period of 30 days for certain termination triggers; and (vi) reinstatement of the termination fee and removal of Chenghe’s obligation to pay the Company Transaction Expenses if the Business Combination Agreement is terminated by FST.

On December 12, 2023, Chenghe signed a non-disclosure agreement with Revere Securities LLC (“**Revere**”) and Chenghe subsequently signed an engagement letter with Revere to appoint Revere as (i) Chenghe’s financial advisor in connection with the Business Combination, and (ii) Chenghe’s capital markets advisor and placement agent in connect with a private placement of Chenghe’s securities to fund the Business Combination.

On December 13, 2023, representatives of Landi Law Firm shared with representatives of Chenghe and White & Case a revised draft of the Business Combination Agreement, which, among others, reflected (i) qualification in the covenant requiring FST to acquire the Company Shares owned by the Remaining Company Shareholders; (ii) amendment to the prescribed time for the application of the FST Withdrawal; (iii) amendment to the prescribed time in the termination trigger relating to the Taiwan DIR Approval; (iv) removal of the termination trigger relating to the delivery of the Company Restructuring Documents; and (v) reinstatement of Chenghe's obligation to pay the Company Transaction Expenses if the Business Combination Agreement is terminated by FST.

On the same day, representatives of Landi Law Firm shared with representatives of Chenghe and White & Case the list of FST Shareholders and the initial draft of the board resolutions of FST.

From December 13, 2023 to December 15, 2023, representatives of White & Case discussed with Chenghe's management team on FST's comments on the Business Combination Agreement, and Chenghe's management team agreed to such comments.

During the same period, pursuant to conversations and negotiation among FST, Chenghe and their respective financial advisors, the parties agreed to set the pre-money equity valuation to US\$400 million, taking account of the company-provided financial projections; a discounted cash flow modeling exercise; and benchmarking analysis against publicly trading peers in the market, as well as sector-relevant SPAC deals announced but not yet closed.

On December 14, 2023, representatives of Chenghe, FST, White & Case and Landi Law Firm had a teleconference discussing the status of various work streams, including the signing timeline and the public announcement arrangements, and the outstanding issues relating to, among others, (i) the termination triggers relating to obtaining the Phase II DIR Approval and delivering the Company Restructuring Documents; and (ii) the termination fees.

From December 14, 2023 to December 15, 2023, representatives of White & Case and Landi Law Firm exchanged multiple drafts of the Business Combination Agreement, which reflected Chenghe's and FST's agreed positions on (i) Base Equity Value set at US\$400 million, (ii) the cure period in the termination trigger relating to obtaining the Phase II DIR Approval; (iii) the removal of termination trigger relating to the Company Restructuring Documents; (iv) the removal of failure to obtain Taiwan DIR Approvals as a condition to receive the termination fee; and (v) Chenghe's obligation to pay the Company Transaction Expenses if the Business Combination Agreement is terminated by FST.

On the same day, representatives of White & Case circulated the final execution version of (i) the Company Shareholder Support Agreement, (ii) the Sponsor Support Agreement, (iii) the Lock-Up Agreement, (iv) the Investor Rights Agreement, (v) form of the Plan of Merger, and (vi) form of the Amended and Restated Memorandum and Articles of Association of CayCo, which reflected drafting comments and clean-up changes.

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On the same day, representatives of Landi Law Firm shared with representatives of Chenghe and White & Case the shareholders and board written resolutions of Merger Sub and CayCo.

On the same day, representatives of White & Case shared with Chenghe's management team comments on the initial draft of the pro forma capitalization table of CayCo as of the Closing Date.

On the morning of December 15, 2023, the Chenghe Board held a meeting via video conference to discuss legal due diligence, transaction terms and evaluate the Business Combination. Representatives of White & Case, Maples, Lee and Li, Revere and members of Chenghe's management team were in attendance by invitation of the Chenghe Board. Representatives of Chenghe's management team provided an overview of the transaction process. A representative of Revere provided a review of the key economic terms of the Business Combination, including the valuation of analysis and basis of the pre-money equity valuation of US\$400 million. The Chenghe Board considered and discussed with Chenghe's management and Revere the valuation approach, and the financial projection of FST between 2024 to 2028, and the range of implied discounted FST equity valuation. A representative of Maples provided a review of the directors' fiduciary duties under the Cayman Islands corporate law. A representative of Lee and Li and White & Case provided a summary of key findings from its legal due diligence of FST and the Group. A representative of White & Case provided a review of the key transaction terms of the Business Combination, including the Business Combination Agreement. Following discussion and consideration, and after given due consideration of status of legal due diligence and various transaction documents, the Chenghe Board agreed to adopt written resolutions approving the Business Combination Agreement, each of the related agreements and the transactions contemplated thereby. The Chenghe Board passed unanimously written resolutions approving entry by Chenghe into the transactions and the execution of the Business Combination Agreement and the ancillary agreements.

On the same day, FST's board of directors held a board meeting and voted upon and approved, among other things, the entry by FST into the transactions and the execution of the Business Combination Agreement and the Ancillary Documents in compliance with its constitutional documents and the applicable law.

On the same day, FST made a public announcement on the Taipei Exchange of Taiwan announcing the approval of the Business Combination by FST's board of directors. Later on the same day, FST held a press conference discussing the board of directors' approval. Chenghe filed such public announcement and the transcript of the press conference with the SEC on a Current Report on Form 8-K.

On December 22, 2023, the directors of CayCo and Merger Sub and the shareholders of CayCo and Merger Sub adopted written resolutions approving CayCo's and Merger Sub's entry into the Business Combination Agreement and the transaction documents to which CayCo and Merger Sub are or will be parties, as applicable.

Later on the same day, Chenghe and FST executed the Business Combination Agreement and ancillary agreements and documentation related thereto. See the section titled "*The Business Combination Agreement and Ancillary Documents*" of this Registration Statement/Proxy Statement for a discussion of the terms of the Business Combination Agreement and additional information about the ancillary agreements and documents entered into or to be entered into in connection with the Business Combination.

After the Business Combination Agreement was signed on December 22, 2023, Chenghe filed with the SEC a Current Report on Form 8-K announcing the execution of the Business Combination Agreement. FST also issued a press release and a public announcement announcing the execution of the Business Combination Agreement and the Business Combination and Chenghe filed such press release and public announcement with the SEC on a Current Report on Form 8-K.

SPAC Board's Reasons for the Approval of the Business Combination and Recommendations

The SPAC Board, in evaluating the transaction with FST, consulted with its legal counsel and financial and other advisors. In reaching its decision (i) that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination, are advisable, fair to and in the best interests of, SPAC and its shareholders, and (ii) to recommend that the shareholders approve the transactions contemplated by the Business Combination Agreement, including the Business Combination, the SPAC Board considered and evaluated a number of factors, including, but not limited to, the factors discussed below.

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Before reaching its decision, the SPAC Board reviewed the results of management's due diligence, which included:

- research on industry trends, competitive landscape and other industry factors;
- benchmarking versus comparable companies on historical financial and operational performance;
- extensive meetings and calls with FST management team and representatives regarding operations, major suppliers and financial prospectus, among other customary due diligence matters;
- review of FST's material business contracts and certain other legal and commercial diligence;
- review of FST's business model and historical financial statements, among other financial information; and
- discussions with external advisors and review reports related to legal diligence prepared by external advisors.

In light of the wide variety of factors considered in connection with its evaluation of the Business Combination Agreement and the transactions contemplated thereby, the SPAC Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that the SPAC Board considered in reaching its determination and supporting its decision. The SPAC Board viewed its decision as being based on all of the information available and the factors presented to and considered by the SPAC Board. In addition, individual directors may have given different weight to different factors. The SPAC Board realized that there can be no assurance about future results, including results considered or expected as disclosed in the following reasons. This explanation of the SPAC Board's reasons for the Business Combination and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the section entitled "*Cautionary Note Regarding Forward-Looking Statements*."

The SPAC Board reviewed the results of due diligence conducted by SPAC's management and by SPAC's financial and legal advisors, and considered a number of factors pertaining to the Business Combination as

generally supporting its decision to enter into the Business Combination Agreement and the transactions contemplated thereby.

The SPAC Board concluded that FST meets the criteria that SPAC was seeking to identify in an appropriate target and represents an attractive business combination partner for SPAC. In particular, SPAC Board considered the following positive factors, among others:

- ***FST's Past Performance and Growth Potential.*** From the introduction of FST's first steel shaft, FST has repeatedly proven its ability to adapt and innovate through challenging and changing times as demonstrated by a consistent track record of generating growth and long-term value for over 30 years. FST is a leading supplier of premium golf shafts to top global golf club original equipment manufacturers and distributors. FST is also a leading supplier of premium golf shafts to a growing direct-to-consumer market where shafts are primarily sold through fitting studios that focus on customizing golf clubs for the individual golfer. FST designs, manufactures, and markets golf club shafts under the widely-recognized KBS brand. Its shafts are adopted and played by many golf professionals on various professional golf tours around the world, including by multiple Masters, US Open, British Open, and PGA Championship champions. SPAC Board believes FST is one of a few golf shaft companies in the world that is capable, within its own facilities, of manufacturing golf shafts in large quantities at a consistently high quality. This competitive advantage allows FST to design, develop, and manufacture shafts for its customers in the quantity, quality, and the specific variety that is demanded by the global golf club brands and the growing direct-to-consumer markets. SPAC Board believes that the golf industry will continue to see growth in the coming years as the global affluent class continues to grow in numbers and through the introduction of new and innovative ways to play golf, and with FST's capabilities and competitive advantages, FST will continue to increase market share and generate significant growth in the years to come.
- ***Business Opportunities.*** SPAC Board considered FST's opportunities for future growth, including opportunities for gaining greater market share in golf shaft market, opportunities for growth of its shaft sales to currently underserved countries and the opening of further KBS Golf Experience stores worldwide. The KBS Golf Experience stores are part of FST's strategy to further develop and grow its presence in the

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direct-to-consumer golf shaft markets. SPAC Board expects that FST will be able to continue its products and services customization strategy and to enhance the vertical integration of its manufacturing and sales functions, to differentiate itself from direct competitors and golf brand companies.

- ***Strong Existing Management Team.*** SPAC Board considered FST's existing management team of industry veterans, all of whom have been instrumental in FST's record business results that will continue on FST post-Closing and provide valuable continued insight.
- ***Continued Support by Existing Shareholders.*** SPAC Board considered that major FST Shareholders had agreed to have their ownership subjected to lock-up agreements and existing FST shareholders will continue to own 64.94% of CayCo post-Closing (assuming no redemptions and the exercise of all issued and outstanding SPAC Warrants). These are strong signs of FST's existing shareholders' confidence in CayCo and the benefits to be realized as a result of the Business Combination.
- ***Lock-up.*** Major shareholders of FST have agreed to be subject to lock-up restrictions for at least six (6) months following the consummation of the Business Combination in respect of their equity interests in CayCo (subject to certain customary exceptions).
- ***Due Diligence.*** SPAC conducted a due diligence review of FST and its business, including review of relevant documentation and discussions with FST management and SPAC's financial and legal advisors. Through SPAC's detailed due diligence investigation, SPAC Board and management had knowledge of, and were familiar with, FST's business, operation and financial condition, intellectual property, business model and material business relationships.
- ***Other Alternatives.*** Having reviewed other potential business combination opportunities available to SPAC, SPAC Board believes that the Business Combination presents the most attractive business combination opportunity available to SPAC based on the process it utilized to evaluate such other potential business combination opportunities and the belief that such process has not yielded more attractive alternatives, taking into account the potential risks, rewards and uncertainties associated with potential alternatives.

- **Negotiated Transaction.** The financial and other terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including each party's representations, warranties and covenants, the conditions to each party's obligations and the termination provisions, were the product of arm's-length negotiations between SPAC and FST, and SPAC Board believes that such terms are reasonable and fair to SPAC Shareholders.
- **Independent Directors' Role.** SPAC Board is comprised of a majority of independent directors who are not affiliated with the Sponsors or their affiliates. The independent directors evaluated and approved, as members of SPAC Board, the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination.

In the course of its deliberation, SPAC also considered a variety of risks and uncertainties relevant to the Business Combination, including, but not limited to, the following:

- **Business and Industry Risks.** FST operates in a highly competitive industry. In the premium golf shaft sector, some FST's competitors are more well-known and have considerably more financial resources. In the standard and economy golf shaft sector, some FST's competitors have more aggressive pricing strategies and lower labor costs. There is no guarantee that FST is able to maintain the competitiveness of its KBS brand and, in general, its competitive positioning in the industry. In addition, FST's business will likely be impacted by the general economic condition, interest rate, discretionary spending level of retail customers, and popularity of the sport of golf, none of which FST has control over.
- **Financial Risk.** The projected financial information referenced or considered in connection with the Business Combination was prepared and provided by FST, reflecting currently available estimates and assumptions, presents the expected implementation of FST's business plan and the expected future financial performance. Such projected financial information is subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the unaudited projected financial information, including, among others, risks and

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uncertainties relating to FST's business, industry performance, the regulatory environment, and general business and economic conditions, and risks and uncertainties relating to any acquisition of other golf shaft manufacturers, including, but not limited to, transaction costs, diversion of management's resources and attention, potential impairment of goodwill, failure to realize cost-saving benefits and/or synergies. For the avoidance of doubt, FST has not engaged in any discussion with any other company in relation to potential acquisition, merger, or other forms of business combination. There is no guarantee that FST will move forward with any business combination transactions. Such information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Registration Statement/Proxy Statement are cautioned not to place undue reliance on the prospective financial information.

- **Benefits Not Achieved.** The risk that the potential benefits of the Business Combination may not be fully achieved, or may not be achieved within the expected timeframe.
- **Termination Date.** The risk that the Business Combination may not be consummated by the earlier of SPAC Termination Date or October 26, 2024, upon the occurrence of which the Business Combination Agreement may be terminated; provided that the right to terminate is not available to a party where the failure of the Closing to occur on or before such date is caused by a failure of such party to perform and comply in all material respects with its covenants and agreements that are required to be performed or complied with at or prior to the Closing.
- **Liquidation of SPAC.** The risks and costs to SPAC if the Business Combination is not completed, including the risk of diverting management focus and resources from other business combination opportunities, which could result in SPAC being unable to effect a business combination by the SPAC Termination Date, and force it to liquidate and the SPAC Warrants to expire worthless.
- **No Survival of Remedies for Breach of Representations, Warranties or Covenants of FST.** The risk that SPAC will not have any surviving remedies against FST after the Closing to recover for losses as a result of any inaccuracies or breaches of representations, warranties or covenants of FST set forth in the Business Combination Agreement. As a result, following the Closing, SPAC Shareholders will not have the ability to recover for the amount of any damages resulting from a breach of FST representations, warranties or covenants set forth in the Business Combination Agreement. SPAC Board determined that this structure was appropriate and customary in light of the

fact that several similar transactions include similar terms.

- **Shareholder Vote.** The risk that SPAC Shareholders may fail to provide the respective votes necessary to complete the Business Combination.
- **Redemptions.** The risk that holders of SPAC Class A Ordinary Shares may redeem their SPAC Class A Ordinary Shares for cash in connection with the Business Combination, thereby reducing the amount of cash available to SPAC and potentially resulting in an inability to consummate the Business Combination if the available cash in the Trust Account is less than \$5,000,001, unless such Closing Condition is waived by all parties pursuant to the Business Combination Agreement.
- **Closing Conditions.** The fact that completion of the Business Combination is conditioned on the satisfaction of certain Closing Conditions that are not within SPAC's control.
- **Transaction Litigation.** The possibility of litigation challenging the Business Combination or that an adverse judgment granting permanent injunctive relief could indefinitely enjoin consummation of the Business Combination.
- **Listing Risks.** The challenges associated with preparing CayCo, a privately held entity, for the applicable disclosure, controls and listing requirements to which it will be subject as a publicly traded company on the Stock Exchange.
- **No Fairness Opinion.** SPAC Board did not obtain a fairness opinion from a bank stating that the consideration to be paid in the Business Combination was fair to SPAC from a financial point of view.

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- **Post-Business Combination Corporate Governance.** The amount of equity to be held by FST's existing shareholders, the fact that existing SPAC Shareholders will hold a minority position in CayCo following consummation of the Business Combination will have the effect of concentrating voting power with the existing FST shareholders, which will limit an investor's ability to influence the outcome of important transactions, including a change in control.
- **Fees and Expenses.** The fees and expenses associated with completing the Business Combination.
- **Other Risks.** Various other risks associated with the Business Combination, the business of FST and the business of SPAC described under the section entitled "*Risk Factors*."

In addition to considering the factors described above, SPAC Board also considered:

- **Interests of Certain Persons.** The Sponsors, officers and directors may have interests in the Business Combination that are in addition to, and that are different from, the interests of the SPAC Public Shareholders (see below subsection entitled "*Interests of Certain Persons in the Business Combination*"). SPAC's independent directors reviewed and considered these interests during the negotiation of the Business Combination and in evaluating and approving, as members of SPAC Board, the Business Combination Agreement and the transactions contemplated therein, including the Business Combination.

SPAC Board concluded that the potential benefits that it expected SPAC and its shareholders to achieve as a result of the Business Combination outweighed the potentially negative factors associated with the Business Combination. Accordingly, SPAC Board determined that the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination, were advisable, fair to, and in the best interests of, SPAC and its shareholders.

Summary of Financial and Valuation Analyses of FST

The following highlights the material analyses prepared by Chenghe's management, with the assistance of its financial advisor, i.e., Revere Securities LLC ("**Revere**"), and reviewed by Chenghe's Board in connection with the valuation of FST. The summary sets forth below does not purport to be a complete description of the financial and valuation analyses performed or factors considered by Chenghe nor does the order of the financial and valuation analyses described represent the relative importance or weight given to those financial and valuation analyses by Chenghe's Board. Chenghe may have deemed various assumptions more or less probable than other assumptions, so the valuations implied by the analysis highlighted below should not be taken to be Chenghe's view of the actual value of FST. Considering the data specified below without considering all financial and valuation analyses or factors or the full narrative description of such analyses of factors, including the methodologies and assumptions underlying such analyses or factors, could create a misleading or incomplete view of the processes underlying Chenghe's financial and valuation analyses and the recommendation of Chenghe's

Board.

While presented with numerical specificity, the financial and valuation analyses prepared by Chenghe's management are forward-looking and reflect numerous estimates and assumptions including, but not limited to, future industry performance under various industry scenarios as well as assumptions for competition, general business, economic, market and financial condition and matters specific to the business of FST, all of which are inherently uncertain and difficult to predict and many of which are beyond the control of Chenghe or FST.

None of FST, Chenghe, or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of FST do not purport to be appraisals or reflect the prices at which FST shares may actually be valued upon closing of the Business Combination. Accordingly, the assumptions and estimates used in, and the results derived from, the financial and valuation analyses are inherently subject to substantial uncertainty. The following information, to the extent that is based on market data, is not necessarily indicative of current market conditions.

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Valuation Analysis

In determining FST's valuation, Chenghe's management and Board considered the valuation analysis conducted by Chenghe's management with the assistance of Revere, which was based on Chenghe's management's analysis of the following documents and information provided by FST:

- 1) the operational, financial and valuation data of comparable companies, trading levels of comparable companies, publicly disclosed information regarding comparable transactions and the materials, including financial information; and
- 2) the FST financial projection from 2024 to 2028, as provided by FST management.

As part of this assessment, Chenghe's management conducted, with the assistance of Revere, a comprehensive due diligence examination of FST and discussed the financial, technical, operational and legal outlook of FST with FST's management. It also discussed and reviewed the following valuation analysis with Revere via (A) a discounted cash flow analysis and (B) selected comparable public companies analysis.

A. Discounted Cash Flow Analysis

The Discounted Cash Flow Analysis (the "DCF Analysis") approach is a valuation technique that provides an estimation of the value of a business based on the cash flows that a business can be expected to generate. The DCF Analysis begins with an estimation of the annual cash flows the subject business is expected to generate over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalents using a weighted cost of capital that account for expectation of rate of return of shareholders. The present value of the estimated cash flows is then added to the present value equivalent of the residual/terminal value of the business at the end of the discrete projection period to arrive at an estimate of value.

Chenghe's management and Revere performed a DCF Analysis of the estimated future unlevered free cash flows attributable to FST for the fiscal years of 2024 through 2028. FST management believes that projections of five years are an industry standard within the financial valuation services industry for a DCF Analysis. In applying the DCF Analysis, Revere relied on the financial projections prepared by the FST management team that took into consideration (i) the expected recovery of market demands, the planned acquisition, the expected synergies from such acquisition, the estimated product price, product pipeline, operating expenses, capital expenditure needed for the acquisition, (ii) the expected annual compounded growth rate of the golf industry from 2023 to 2027 of 3.2%, and (iii) the market size, market penetration rates and projected revenue. However, since the financial projections cover multiple years, such information by its nature becomes less reliable with each successive year. These financial projections are subjective in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments.

FST does not, as a matter of general practice, publicly disclose long-term forecasts or internal projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. However, during the due diligence process and prior to approval by the Chenghe board of directors on December 15, 2023, and the execution of the Business Combination Agreement and related agreements, FST provided Chenghe with recently prepared, internal financial projections for the year ended December 31, 2028. The financial projections presented in this Registration Statement/Proxy Statement constitute the entirety of the financial forecasts presented to the Chenghe Board in approving the Business Combination. The decision to prepare projections of 2028 was based on FST

management's assessment that such time period includes the expected inflection point of FST's revenue growth.

The inclusion of the financial projections should not be deemed an admission or representation by Chenghe, or FST or any of their respective officers, directors, affiliates, advisors, or other representatives with respect to such financial projections. The financial projections are not included to influence your views on the Business Combination and are summarized in this Registration Statement/Proxy Statement solely to provide shareholders access to certain non-public information considered by the Chenghe Board in connection with its evaluation of the Business Combination. The information from the financial projections should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding FST in this Registration Statement/Proxy Statement.

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None of Chenghe or any of its affiliates, advisors, officers, directors or other representatives can provide any assurance that actual results of FST will not differ from the projected financial information, and none of them undertakes any obligation to update, or otherwise revise or reconcile, the projected financial information to reflect circumstances existing after the date the projected financial information was generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the projected financial information, as applicable, are shown to be in error. Except as required by applicable securities laws, Chenghe does not intend to make publicly available any update or other revision to the projected financial information, even in the event that any or all assumptions are shown to be in error.

The projected financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants, but, in the view of Chenghe's management and Revere, reflects currently available estimates and assumptions, was prepared on a reasonable basis and presents, to the best of FST management's knowledge and belief, the expected implementation of FST's business plan and the expected future financial performance, in each case at the time such information was provided to Chenghe's management and Revere, which may be different from the information currently available at the time of filing this proxy statement. As such, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement are cautioned not to place undue reliance on the prospective financial information.

The projected financials were prepared by FST's management. Chenghe's management was not involved in the development of any of the below FST projections and assumptions, and independently discussed, reviewed, confirmed or verified a limited number of such assumptions, or the reasonableness thereof. No independent auditors have audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the financial projections and, accordingly, neither FST's nor Chenghe's independent auditors express an opinion or any other form of assurance with respect thereto or its achievability, and each assumes no responsibility for, and disclaims any association with, the financial projections.

Some of the material assumptions in the model provided by FST included total revenue of approximately \$58.54 million, \$104.87 million, \$117.11 million, \$133.31 million and \$139.97 million for the years 2024, 2025, 2026, 2027 and 2028, respectively. Capital expenditure of FST estimates to be approximately \$(1.74) million, \$(25.43) million, \$(4.78) million, \$(5.41) million and \$(1.38) million for the years 2024, 2025, 2026, 2027 and 2028, respectively. Change in net working capital of FST estimates to be approximately \$0.67 million, \$(20.16) million, \$14.47 million, \$(21.89) million and \$(2.20) million for the years 2024, 2025, 2026, 2027 and 2028, respectively.

Due to slowdown in the global economic growth and high inflation in 2023, FST expected its revenue in 2023 would decrease from that in 2022 because of its customers' adjustment in inventory level. FST expected that with its launch of carbon fiber putter in 2023 and gradual reduction in interest rate, the revenue level would rebound in 2024. FST planned to acquire other players in the golf shaft industry to increase its economy of scale in 2025. FST expected that its revenue would increase proportionately with its operational scale, as a result of such acquisition. FST believed that with increased scale and its expanded product line, it would be able to maintain growth at or above the growth rate of general golf industry from 2024 to 2028.

For the avoidance of doubt, FST has not engaged in any formal or informal discussion with any other company in relation to such potential acquisition, merger, or other forms of business combination. FST planned to evaluate the general economic condition, growth of golf industry and competition landscape to assess any business combination opportunities. There is no guarantee that FST will move forward with any business combination transaction. In the case that FST decides to not engage in a business combination transaction, FST planned to increase its operational scale through expanding its manufacture facilities and increasing advertising, and research and development spending. There is also no guarantee that any such expansion initiative will result in organic growth in revenue or improvement in competition positioning.

There is no guarantee that the projected revenue growth will materialize, as the future performance of FST is subject to risks and uncertainties relating to acquisitions of other golf shaft manufacturers, including, but not limited to, transaction cost overrun, diversion of management's resources and attention, potential impairment of goodwill, failure to realize cost-saving benefits and/or synergies, and also risks and uncertainties relating to any expansion of operation, including, but not limited to, delay in ramping up outputs, increased labor and raw material costs, reduction of working capital and increased indebtedness.

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Based on the discount rate of 12.25%, which was extrapolated from the weighted average cost of capital from the public company data set used in the Comparable Public Company Analysis and the current capital structure of FST, and a Terminal Value Based on a Terminal FCF Growth rate of 2.5%, which is the constant rate that a company is expected to grow at continuously and is typically between the historical inflation rate of 1.0 – 3.0%, the enterprise value of FST based on the discounted cash flow analysis was \$317.6 million.

\$ in millions FST Projections ⁽¹⁾	5 Year Projections				
	2024	2025	2026	2027	2028
Total Revenue⁽²⁾	58.54	104.87	117.11	133.31	139.97
COGM	(22.27)	(41.89)	(45.79)	(50.71)	(53.25)
Gross Profit	\$ 36.27	62.98	71.32	82.59	86.72
Operating Expenses ⁽²⁾	(26.47)	(29.32)	(30.55)	(32.13)	(32.39)
Operating Income	9.80	33.66	40.77	50.46	54.33
Tax, Excluding Effect of Interest	(3.00)	(8.96)	(10.75)	(13.18)	(14.14)
Net Operating Profit After Tax	6.81	24.70	30.03	37.28	40.19
Adjustment for Non-cash Charges					
Depreciation & Amortization	4.64	5.60	5.72	5.87	6.02
Capital Expenditure ⁽³⁾	(1.74)	(25.43)	(4.78)	(5.41)	(1.38)
Change in Net Working Capital	0.67	(20.16)	14.47	(21.89)	(2.20)
Annual Unlevered Free Cash Flow	10.38	(15.30)	45.44	15.85	42.62
Terminal Value Based on Growth in Perpetuity					451.67
Net Present Value of Unlevered Free Cash Flows	9.26	(12.16)	32.19	10.01	24.00
EBITDA⁽³⁾	14.45	39.26	46.50	56.33	60.35
Terminal FCF Growth Rate ⁽⁴⁾	2.5%				
Discount Rate ⁽⁵⁾	12.2%				

(1) Financial model is provided by FST.

(2) Assumption of revenue, operating expenses, capital expenditure, planned acquisition, timing of the planned acquisition, synergies from acquisition were provided by FST management, and are meant to be conservative, with no guarantees that these milestones can be achieved. Capital Expenditure in 2025 consists of acquisition of other companies operating in the golf shaft industry with synergistic operation. There is no guarantee that FST will be able to complete any acquisition and improve its industry competitive position. There is also no guarantee that FST will be able to successfully grow its operation organically if FST was not able to consummate its planned acquisition.

(3) EBITDA represents net income (loss) before interest expense, provision for income taxes, depreciation and amortization. EBITDA does not represent net income, as that term is defined under GAAP, and should not be considered as an alternative to net income (loss) as an indicator of operating performance.

(4) The terminal FCF growth rate is the constant rate that a company is expected to grow at continuously. This growth rate starts at the end of the last forecasted cash flow period in a discounted cash flow model and goes into perpetuity.

(5) The discount rate refers to the rate of interest that is applied to future cash flows of an investment to calculate its present value.

FST believes the assumptions in the prospective financial information were reasonable at the time the financial information was prepared, given the information FST had at the time. However, important factors that may affect actual results and cause the results reflected in the prospective financial information not to be achieved include, among other things, risks and uncertainties relating to FST's business, industry performance, the

regulatory environment, and general business and economic conditions. The prospective financial information also reflects assumptions as to certain business decisions that are subject to change. Furthermore, the financial projections do not take into account any circumstances or events occurring after December 2023, the date they were prepared. You should review the financial statements of FST included in this proxy statement, as well as the financial information in the sections entitled “*FST Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Unaudited Pro Forma Condensed Combined Consolidated Financial Information*” in this proxy statement/prospectus. You should not rely on any single financial measure.

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The projected financial information was prepared using several assumptions, including the following assumptions that FST management believed to be material:

- projected revenue is based on a variety of operational assumptions, including among others continued growth in the golf population, the growing participation in golf by the millennials and female, and the continued development of golf in emerging markets, such as PRC and Middle East, the continued development in off-line golf activities, the gradual decline in the inflation rate and global interest rate, the recovery of economy in major economies, the realization of synergy from acquisitions of other golf shaft industry player, and the reach of economy of scale with increased operation scale;
- FST will be able to grow the brand recognition for its KBS shafts in the United States through opening additional boutiques and collaborating with other golf club brands;
- FST will successfully select, acquire and merge its operation with an acquisition target in the golf shaft industry space, which in turn, will lead to increased manufacturing capacity, cost-savings through economy of scale, increased revenue, and improved industry competitive position;
- FST will complete its planned acquisition within the timeframe as planned;
- FST will be able to continue to develop golf shafts accepted and liked by the golf community, and design new golf shafts for the growing niches in the market, such as millennials, who are more cost-sensitive, and females, who prefer light weight shafts;
- FST will be able to successfully market its products in other markets, such as Europe, Japan, Korea, China and Middle East, each may have difference customer preferences as compared with the United States;
- FST will be able to manage its cost of operation and realize cost-saving after its planned acquisition. Reduction in costs associated with manufacturing overhead, warranty and logistics are taken into consideration as well; and
- other key assumptions impacting profitability projections including headcount, third party contractors, engineering consulting and prototyping spend, but excluding costs associated with public company operations and compliance.

B. Selected Comparable Public Company Analysis

To calculate the equity value of the operating business, Chenghe’s Board and Revere first obtained share price (as of December 14, 2023) and the Equity Value of three (3) comparable public companies identified by Revere as having the most similarities to FST. The public company comparables were selected using the following criteria: (i) companies that were listed on a major U.S. exchanges and Taiwanese exchanges, including Nasdaq and the New York Stock Exchange, and various Taiwanese exchanges, (ii) companies that operate in the general golf industry (including manufacturers of golf clubs, golf balls and other golf equipment), and (iii) companies that operate in major golf markets (including the U.S., Europe, Japan and Korea). Revere did not exclude any companies that met the selection criteria from the analysis.

- Acushnet Holdings Corp. (NYSE: GOLF) — a U.S. company that engaged in the design, development, manufacture, and distribution of golf products. Its product category includes golf balls, golf shoes, golf clubs, wedges, putters, golf gloves, golf gear and golf wear.
- Topgolf Callaway Brands Corp. (NYSE: MODG) — a U.S. company that provides golf entertainment experiences, designs and manufactures premium golf equipment, and sells golf and active lifestyle apparel and other accessories
- Fusheng Precision Co., Ltd (TWSE: 6670) — a Taiwanese company that engages in the business of exporting high-quality golf club heads, carbon fiber golf shafts, golf club assembled sets, baseball, and softball bats, and industrial precision parts. It also produces aerospace and automotive precision parts.

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None of the above comparable companies has characteristics identical to FST. Some of the selected companies have different product portfolios. An analysis of selected comparable companies is not purely quantitative, rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the selected comparable companies and other factors that could affect the public trading values of the companies reviewed.

In conducting comparable companies valuation analysis, Revere calculated the Forward 2024 P/E Multiples and Forward 2025 P/E Multiples of the three comparable public companies based on public data sourced from database such as Refinitiv, Pitchbook and Bloomberg. Revere then calculated the Forward 2024 EV/EBITDA Multiples and Forward 2025 EV/EBITDA Multiples of the three comparable public companies based on public data sourced from database such as Refinitiv, Pitchbook and Bloomberg.

The median Forward 2024 P/E Multiples is 20.1x, and the median Forward 2025 P/E Multiples is 19.1x. The median Forward 2024 EV/EBITDA Multiples is 8.6x and the median Forward 2025 EV/EBITDA Multiples is 7.8x.

Under the P/E approach, the Equity Value of FST is US\$509.1 million, which is the product of the projected net income of FST in 2025 of \$26.6 million and the median Forward 2025 P/E Multiples.

Under the EV/EBITDA approach, the Enterprise Value of FST is US\$321.8 million, which the product of the projected EBITDA of FST in 2025 of US\$41.5 million and the median Forward 2025 EV/EBITDA Multiples.

Based on discussions with FST management and commercial and financial due diligence, Chenghe's management and Revere determined that 2025E is an appropriate benchmark year for calculating FST's EV because this is the fiscal year that FST expects it will reach economy of scales by acquiring another industry player to reduce its operation costs and increased revenue through combined operations.

Chenghe's management believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company valuation analysis. Accordingly, Chenghe's management also made qualitative judgments, based on its experience and the professional judgment of its management team, concerning differences between the operations, business and/or financial characteristics of FST and the selected comparable companies to provide a context in which to consider the results of the quantitative analysis.

C. Conclusion and recommendation of Chenghe's Board

Have considered the foregoing, Chenghe's management, with the assistance of Revere, concluded that FST was an attractive business combination target, as it has a sizeable and profitable business, its existing products are well received by the market and Chenghe's management regards FST at the inflection point of its business growth.

The values derived from the different analysis above show a range between \$317.6 million to \$509.1 million. The consideration to be received by FST's shareholders in the Business Combination to be paid by CayCo of \$400 million is in the middle of the range of valuation ranges of the analyses.

Chenghe's Board reviewed and discussed the valuation analysis of FST prepared by the management team of Chenghe with the assistance of Revere, and believes that FST has the potential to implement its business development plans and scale up its operations accordingly. Chenghe's Board believes that after its review of other business combination opportunities reasonably available to Chenghe and its evaluation of the consequence of liquidation of Chenghe without consummating an initial business combination, the Business Combination with FST represents the best potential business combination for Chenghe and its shareholders, based upon the process utilized to evaluate and assess other potential acquisition targets and the liquidation distribution of trust account to the shareholders. On the basis of the foregoing, Chenghe's Board believes that, in its reasonable business judgement, FST such valuation analysis supported the pre-money fully diluted equity valuation of FST at \$400 million and it's in the best interest of Chenghe's shareholders to approve and implement the Business Combination with FST.

The results of the above-referenced analyses supported Chenghe's management's determination that it was fair and in the best interests of Chenghe and its shareholders, and that it was advisable, to enter into the Merger Agreement and the Ancillary Agreements to which Chenghe is, or will be, a party and to consummate the transactions contemplated thereby, including the Business Combination.

Interests of Certain Persons in the Business Combination

In considering the recommendation of the SPAC Board to vote in favor of the Business Combination, shareholders should be aware that, the Sponsors, SPAC's directors and officers have interests in the Business Combination that are different from, or in addition to, those of other SPAC Shareholders generally, which could cause them to benefit from and incentivize them to pursue a business combination with a less favorable target company or on terms less favorable to non-redeeming shareholders rather than liquidate, subject always to their fiduciary duties under Cayman Islands law. SPAC's directors were aware of and considered these interests, among other matters, in evaluating the Business Combination and did not believe that such interests would preclude them from approving the Business Combination or from recommending the Business Combination to SPAC Shareholders, considering that these interests would be disclosed in this Registration Statement/Proxy Statement. SPAC Shareholders should take these interests into account in deciding whether to approve the Business Combination. These interests include, among other things:

- the fact that the Old SPAC Sponsor paid an aggregate of \$25,000 for 3,250,000 SPAC Class B Ordinary Shares, which will have a significantly higher value at the time of the Business Combination but will become worthless if a business combination is not consummated by the Extended Deadline. Based on the average of the high (\$[•]) and low (\$[•]) prices for the SPAC Class A Ordinary Shares on Nasdaq on [•], 20[•], after giving effect to the Sponsor Sale, the value of the Founder Shares held by the Old SPAC Sponsor would be \$[•];
- the fact that the Old SPAC Sponsor paid an aggregate of approximately \$7,900,000 for its 7,900,000 SPAC Private Placement Warrants to purchase SPAC Class A Ordinary Shares and that such SPAC Private Placement Warrants will expire worthless if a business combination is not consummated by the Extended Deadline;
- the fact that the New SPAC Sponsor entered into the Sponsor Sale SPA with the Old SPAC Sponsor for the acquisition of an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor for an aggregate purchase price of \$1.00 plus \$450,000 extension contribution payment incurred prior to the date of the Sponsor Sale SPA and other extension payments that may become due after the Sponsor Sale, and in accordance with the terms of the Trust Agreement. Based on the closing price for the Public Shares of \$[•] on the Nasdaq on [•], 20[•], the value of the Founder Shares held by the New SPAC Sponsor would be \$[•], and the value of the Converted SPAC Public Shares held by the New SPAC Sponsor would be \$[•];
- the fact that the Sponsors are anticipated to hold 18.10% of issued and outstanding shares of CayCo immediately following the Business Combination (assuming no redemptions of holders of SPAC Class A Ordinary Shares and the exercise of SPAC Private Placement Warrants);
- the fact that given the differential in the purchase price that the Sponsors paid for the SPAC Class B Ordinary Shares and the purchase price that the Sponsors paid for the SPAC Private Placement Warrants as compared to the price of the SPAC Class A Ordinary Shares and SPAC Public Warrants and the substantial number of SPAC Class A Ordinary Shares that the Sponsors will receive upon conversion of the SPAC Class B Ordinary Shares and (as applicable) SPAC Private Placement Warrants, the Sponsors can earn a positive return on their investment, even if holders of SPAC Class A Ordinary Shares have a negative return on their investment;
- the fact that the Sponsors have agreed not to redeem any SPAC Ordinary Shares held by them in connection with the shareholder vote to approve a proposed initial business combination pursuant to the SPAC IPO Letter Agreement;
- the fact that the Sponsors will lose their entire investment in SPAC if an initial business combination is not consummated by the Extended Deadline Date. The Sponsors, SPAC's directors and officers, and their respective affiliates have not incurred any out-of-pocket fees and expenses in relation to the initial business combination since the SPAC IPO, except that, on October 25, 2023, SPAC issued the October 2023 Note to the New SPAC Sponsor, for a principal amount of up to \$1,960,000. SPAC may further draw down up to \$960,000 under the October 2023 Note to pay the Contributions, and up to \$519,400 for general corporate purposes. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. As of the date hereof, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note;

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- the fact that the Sponsors have agreed to waive their rights to liquidating distributions from the Trust Account with respect to SPAC Class B Ordinary Shares held by them if SPAC fails to complete an initial business combination by the Extended Deadline;

- the fact that the Sponsors, SPAC's directors and officers, and their respective affiliates are entitled to reimbursement of reasonable out-of-pocket expenses incurred by them in connection with certain activities on SPAC's behalf, such as identifying and investing possible business targets and business combinations. However, if SPAC fails to consummate a business combination within the required period, they will not have any claim against the Trust Account for reimbursement. Accordingly, SPAC may not be able to reimburse these expenses if the Business Combination or another business combination is not completed by the Extended Deadline;
- the right of the Sponsors to hold the CayCo Ordinary Shares and CayCo Warrants following the Business Combination, subject to certain lock-up periods;
- in the event of the liquidation of the Trust Account upon the failure of SPAC to consummate a business combination by the Extended Deadline, the Sponsors have agreed to indemnify SPAC to ensure that the proceeds in the Trust Account are not reduced below \$10.20 per SPAC Class A Ordinary Share, or such lesser per-public share amount as is in the Trust Account on the liquidation date, by the claims of prospective target businesses with which SPAC has entered into a written letter of intent, confidentiality or other similar agreement or claims of any third party (other than its independent public accountants) for services rendered or products sold to SPAC, provided that such indemnification will not apply to any claims by a third party that executed a waiver of any and all rights to seek access to the Trust Account, nor will it apply to any claims under indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act;
- the Sponsors (including its representatives and affiliates) and SPAC's officers and directors are, or in the future may become, affiliated with entities that are engaged in similar business to SPAC. For example, the New SPAC Sponsor is controlled by Mr. Richard Qi Li, who also served as a director and the chief executive officer of HH&L Acquisition Co., a NYSE-listed special purpose acquisition company, and as chairman of the board of Chenghe Acquisition Co., a Nasdaq-listed special purpose acquisition company. The chief executive officer and chief financial officer of SPAC, Ms. Zhiyang Zhou, also served as chief financial officer of Chenghe Acquisition Co. The chairman of SPAC Board, Dr. Shibin Wang, served as chief executive officer of Chenghe Acquisition Co. The Sponsors and SPAC's officers and directors are not prohibited from sponsoring, or otherwise becoming involved with, another blank check company prior to SPAC completing its initial business combination. SPAC's officers and directors may become aware of business opportunities which may be appropriate for presentation to SPAC, and the other entities to which they owe certain fiduciary or contractual duties. Accordingly, they may have had conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in SPAC's favor and such potential business opportunities may be presented to other entities prior to their presentation to SPAC, subject to applicable fiduciary duties under Cayman Islands law. SPAC MAA provide that SPAC renounces its interest in any corporate opportunity offered to any officer or director of SPAC. This waiver allows SPAC's officers and directors to allocate opportunities based on a combination of the objectives and fundraising needs of the target, as well as the investment objectives of the entity. SPAC does not believe that the waiver of the corporate opportunities doctrine otherwise had a material impact on its search for an acquisition target;
- the fact that the Business Combination Agreement provides for the continued indemnification of SPAC's existing directors and officers and the continuation of the directors' and officers' liability insurance after the Business Combination; and
- the fact that SPAC has entered into a registration rights agreement with the Sponsors, which provides for customary registration rights to them and their permitted transferees.

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Satisfaction of 80% Test

The rules of Nasdaq and SPAC MAA requires that SPAC must consummate an initial business combination with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets held in the Trust Account (net of amounts of any deferred underwriting discount held in trust and taxes payable on the income earned on the Trust Account) at the time of the execution of a definitive agreement in connection with its initial business combination. Based on the qualitative and quantitative information used to approve the Business Combination described herein, SPAC Board determined that the foregoing 80% net asset requirement was met. SPAC Board believes that the financial skills and background of its members qualify it to conclude that the acquisition met the 80% net asset requirement.

Regulatory Matters

The Business Combination is not subject to any federal or state regulatory requirement or approval, except for (i) the Taiwan DIR Approval and (ii) the filings with the Cayman Islands Registrar of Companies in accordance with the Cayman Companies Act necessary to effectuate the Business Combination.

Redemption Rights

Pursuant to SPAC MAA, a SPAC Public Shareholder may demand that SPAC redeem its SPAC Class A Ordinary Shares for cash if the Business Combination is consummated. Notwithstanding the foregoing, a SPAC Public Shareholder, together with any affiliate of his or her or any other person with whom such holder is acting in concert or as a “group” (as defined in Section 13(d)(3) of the Exchange Act), will be restricted from seeking redemption rights with respect to more than 15% of the SPAC Class A Ordinary Shares. Accordingly, all SPAC Class A Ordinary Shares in excess of 15% held by SPAC Public Shareholders, together with any affiliate of such holder or any other person with whom such holder is acting in concert or as a “group,” will not be redeemed and converted into cash.

Furthermore, under the Business Combination Agreement, as one of the Closing Conditions, SPAC shall not redeem Public Shares that would cause its net tangible assets to be less than \$5,000,001 following such redemptions, unless such condition have been waived by all parties.

SPAC Public Shareholders who wish to exercise their redemption rights must demand that SPAC redeem their SPAC Class A Ordinary Shares for cash and tender their SPAC Class A Ordinary Shares to SPAC Transfer Agent no later than two (2) Business Days prior to the SPAC Shareholders’ Meeting. SPAC Public Shareholders may tender their SPAC Class A Ordinary Shares by either delivering their share certificates (if any) and other redemption forms to the SPAC Transfer Agent or by delivering their SPAC Class A Ordinary Shares electronically to the SPAC Transfer Agent using The Depository Trust Company’s DWAC System. Any SPAC Public Shareholders satisfying the requirements for exercising redemption rights will be entitled to a pro rata portion of the amount then in the Trust Account (which, for illustrative purposes, was \$[•] per share, as of the Record Date), less taxes payable and up to \$100,000 of interest to pay dissolution expenses. Such amount will be paid promptly upon consummation of the Business Combination. There are currently no owed but unpaid income taxes on the funds in the Trust Account. If a SPAC Public Shareholder exercises his, her or its redemption rights, then it will be exchanging its shares for cash and will not become a shareholder of CayCo post-Closing. Any request for redemption, once made by a SPAC Public Shareholder, may be withdrawn at any time up to the deadline for submitting redemption requests, which is [•], 20[•] (two (2) Business Days prior to the date of the SPAC Shareholders’ Meeting), and thereafter, with SPAC’s consent, until the Closing. If you deliver your share certificates (if any) and other redemption forms to SPAC Transfer Agent and later decide prior to the SPAC Shareholders’ Meeting not to elect redemption, you may request that SPAC Transfer Agent return the shares (physically or electronically). See the section of this Registration Statement/Proxy Statement entitled “*Extraordinary General Meeting of SPAC Shareholders — Redemption Rights*” for a detailed description of the procedures to be followed if you wish to convert your shares into cash.

Resale of CayCo Ordinary Shares

The CayCo Ordinary Shares to be issued to shareholders of SPAC in connection with the Business Combination will be freely transferable under the Securities Act except for shares issued to any shareholder who may be deemed for purposes of Rule 144 under the Securities Act an “affiliate” of SPAC immediately prior to the Merger Effective Time

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or an “affiliate” of CayCo following the Business Combination or shares otherwise held by signatories of the Lock-up Agreement. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with, CayCo or SPAC (as appropriate) and may include the executive officers, directors and significant shareholders of CayCo or SPAC (as appropriate).

Stock Exchange Listing of CayCo Ordinary Shares

CayCo will use reasonable best efforts to cause, prior to the Merger Effective Time, the CayCo Ordinary Shares to be approved for listing on the Stock Exchange under the proposed symbol “[•],” subject to official notice of issuance. Approval of the listing on the Stock Exchange of the CayCo Ordinary Shares (subject to official notice of issuance) is a condition to each party’s obligation to complete the Business Combination.

Delisting and Deregistration of SPAC Securities

If the Business Combination is completed and no other business combination is completed by the SPAC Termination Date, the SPAC Units and the SPAC Class A Ordinary Shares will be delisted from Nasdaq and will

be deregistered under the Exchange Act.

CayCo as a Foreign Private Issuer under the Exchange Act Post-Closing

CayCo expects to remain a “foreign private issuer” (under SEC rules). Consequently, upon consummation of the Business Combination, CayCo will be subject to the reporting requirements under the Exchange Act applicable to foreign private issuers. CayCo will be required to file its annual report on Form 20-F for the year ending December 31, 2024 with the SEC by April 30, 2025. In addition, CayCo will furnish reports on Form 6-K to the SEC regarding certain information required to be publicly disclosed by CayCo in the Cayman Islands or that is distributed or required to be distributed by CayCo to its shareholders.

Based on its foreign private issuer status, CayCo will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as a U.S. company whose securities are registered under the Exchange Act. CayCo will also not be required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material information.

In addition, among other matters, CayCo’s officers, directors and principal shareholders will be exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of the CayCo Ordinary Shares.

Despite its initial exemption due to its foreign private issuer status, CayCo nevertheless expects to issue interim quarterly financial information publicly and to furnish it to the SEC on Form 6-K.

CayCo as an Emerging Growth Company under U.S. Federal Securities Laws Post-Closing and Related Implications

The SPAC is, and following the Business Combination, CayCo will be, an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As such, CayCo will be eligible to take advantage of certain exemptions from 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 their periodic reports and Registration Statement/Proxy Statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. If some investors find the CayCo’s securities less attractive as a result, there may be a less active trading market for the CayCo’s securities and the prices of CayCo’s securities may be more volatile.

Post-Closing, CayCo will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year (a) following the fifth anniversary of date of its first sale of common equity securities pursuant to an effective registration statement, (b) in which CayCo has total annual gross revenue of at least \$1.235 billion, or (c) in which CayCo is deemed to be a large accelerated filer, which means the market value of the CayCo’s common equity that is

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held by non-affiliates exceeds \$700 million as of the last Business Day of its most recently completed second fiscal quarter; and (ii) the date on which CayCo has issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” have the meaning associated with it in the JOBS Act.

Vote Required for Approval

The approval of the Business Combination Proposal will require an ordinary resolution under Cayman Islands law and pursuant to SPAC MAA, being the affirmative vote of shareholders holding a majority of the ordinary shares which are voted on such resolution in person or by proxy at the Extraordinary General Meeting at which a quorum is present.

Brokers are not entitled to vote on the Business Combination Proposal absent voting instructions from the beneficial holder. An abstention will be counted towards the quorum requirement but, as a matter of Cayman Islands law, will not count as a vote cast at the Extraordinary General Meeting. Broker non-votes do not count as votes cast.

Resolution to be Voted Upon

The full text of the resolution to be passed is as follows:

“**RESOLVED**, as an ordinary resolution, that, Chenghe Acquisition I Co. (“SPAC”)’s entry into the

Business Combination Agreement, dated as of December 22, 2023, with FST Corp. (“CayCo”), FST Merger Ltd. (“Merger Sub”) and Femco Steel Technology Co., Ltd., a copy of which is attached to the Registration Statement/Proxy Statement as Annex A, pursuant to which, among other things, Merger Sub will merge with and into SPAC with SPAC being the surviving company of the merger, and becoming a wholly-owned subsidiary of CayCo (the “Merger”), with shareholders of SPAC being shareholders of CayCo, in accordance with the terms and subject to the conditions of the Business Combination Agreement, and the transactions contemplated thereby be approved, ratified and confirmed in all aspects.”

Recommendation of SPAC’s Board of Directors

SPAC Board recommends a vote “**FOR**” adoption of the Business Combination Proposal.

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SPAC SHAREHOLDERS PROPOSAL NO. 2 — THE MERGER PROPOSAL

Overview

Assuming the Business Combination Proposal is approved at the Extraordinary General Meeting, shareholders are being asked to approve, pursuant to the Business Combination Agreement, subject to the terms and conditions set forth therein, the adoption of the plan of merger to be filed with the Registrar of Companies of the Cayman Islands (the “**Plan of Merger**”) and the transactions contemplated thereby, including, without limitation the Merger. A copy of the Plan of Merger is attached as Annex A-1 to the accompanying Registration Statement/Proxy Statement.

Vote Required for Approval

The approval of the Merger Proposal will require a special resolution under Cayman Islands law, being the affirmative vote of shareholders holding at least two-thirds of the ordinary shares which are voted on such resolution in person or by proxy at the Extraordinary General Meeting at which a quorum is present.

Brokers are not entitled to vote on the Authorized Share Capital Amendment Proposal absent voting instructions from the beneficial holder. An abstention will be counted towards the quorum requirement but, as a matter of Cayman Islands law, will not count as a vote cast at the Extraordinary General Meeting. Broker non-votes do not count as votes cast.

The Merger Proposal is conditioned on the approval of the Business Combination Proposal, the Authorized Share Capital Amendment Proposal, and the Articles Amendment Proposals at the Extraordinary General Meeting. The approval of the Merger Proposal is a condition to the consummation of the Business Combination.

Resolution to be Voted Upon

The full text of the resolution to be passed is as follows:

“**RESOLVED**, as a special resolution, that,

- (a) SPAC be authorized to merge with Merger Sub so that SPAC be the surviving company and all the undertaking, property and liabilities of Merger Sub vest in SPAC by virtue of such merger pursuant to the Companies Act (As Revised) of the Cayman Islands;
- (b) the Plan of Merger, a copy of which is attached to the Registration Statement/Proxy Statement as Annex A-1 (the “Plan of Merger”), be authorized, approved and confirmed in all respects and SPAC be authorized to enter into the Plan of Merger; and
- (c) the Plan of Merger be executed by any one director of SPAC (a “Director”) on behalf of SPAC and any Director or Maples and Calder (Hong Kong) LLP or Maples and Calder (Cayman) LLP, on behalf of Maples Corporate Services Limited, be authorized to submit the Plan of Merger, together with any supporting documentation, for registration to the Registrar of Companies of the Cayman Islands.”

Recommendation of SPAC’s Board of Directors

SPAC Board recommends a vote “**FOR**” adoption of the Merger Proposal.

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SPAC SHAREHOLDERS PROPOSAL NO. 3 — THE AUTHORIZED SHARE CAPITAL AMENDMENT

PROPOSAL

Overview

Assuming the Business Combination Proposal is approved at the Extraordinary General Meeting, shareholders are being asked to approve, with effect from the effective time of the Merger, the reclassification and re-designation of (a) 200,000,000 issued and unissued Class A ordinary shares of a par value of \$0.0001 each to 200,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; (b) 20,000,000 issued and unissued Class B ordinary shares of a par value of \$0.0001 each to 20,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; and (c) 1,000,000 authorized but unissued preference shares of a par value of \$0.0001 each to 1,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each (the “**Re-designation**”) so that following such Re-designation, the authorized share capital of Chenghe shall be \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each, and immediately after the Re-designation, the authorized share capital of Chenghe be increased from \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each to \$50,000 divided into 500,000,000 ordinary shares of a par value of \$0.0001 each by the creation of an additional 279,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each to rank pari passu in all respects with the existing ordinary shares.

Vote Required for Approval

The approval of the Authorized Share Capital Amendment Proposal will require an ordinary resolution under Cayman Islands law, being the affirmative vote of a majority of the ordinary shares represented in person or by proxy and entitled to vote thereon and who vote at the Extraordinary General Meeting.

Brokers are not entitled to vote on the Authorized Share Capital Amendment Proposal absent voting instructions from the beneficial holder. An abstention will be counted towards the quorum requirement but, as a matter of Cayman Islands law, will not count as a vote cast at the Extraordinary General Meeting. Broker non-votes do not count as votes cast.

The Authorized Share Capital Amendment Proposal is conditioned on the approval of the Business Combination Proposal, the Merger Proposal and the Articles Amendment Proposals at the Extraordinary General Meeting. The approval of the Authorized Share Capital Amendment Proposal is a condition to the consummation of the Business Combination.

Resolution to be Voted Upon

The full text of the resolution to be passed is as follows:

“**RESOLVED**, as an ordinary resolution, that, with effect from the effective time of the Merger, the authorized share capital of SPAC be reclassified and re-designated as follows: (i) 200,000,000 issued and unissued Class A ordinary shares of a par value of \$0.0001 each be reclassified and re-designated as 200,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; (ii) 20,000,000 issued and unissued Class B ordinary shares of a par value of \$0.0001 each be reclassified and re-designated as 20,000,000 issued and unissued ordinary shares of a par value of \$0.0001 each; and (iii) 1,000,000 authorized but unissued preference shares of a par value of \$0.0001 each be reclassified and re-designated as 1,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each (the “Re-designation”) so that following such Re-designation, the authorized share capital of SPAC shall be \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each, and immediately after the Re-designation, the authorized share capital of SPAC be increased from \$22,100 divided into 221,000,000 ordinary shares of a par value of \$0.0001 each to \$50,000 divided into 500,000,000 ordinary shares of a par value of \$0.0001 each by the creation of an additional 279,000,000 authorized but unissued ordinary shares of a par value of \$0.0001 each to rank pari passu in all respects with the existing ordinary shares.”

Recommendation of SPAC’s Board of Directors

SPAC Board recommends a vote “**FOR**” adoption of the Authorized Share Capital Amendment Proposal.

SPAC SHAREHOLDERS PROPOSAL NO. 4 — THE ARTICLES AMENDMENT PROPOSALS

Overview

Assuming the Business Combination Proposal is approved at the Extraordinary General Meeting, shareholders are being asked to approve, as two separate special resolutions, respectively with effect from the effective time of the Merger, (a) the change of name of Chenghe from “Chenghe Acquisition I Co.” to “FST Ltd.”

and (b) the amended and restated memorandum and articles of association of SPAC currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the Restated M&A. A copy of the Restated M&A is attached as Annex H to this Registration Statement/Proxy Statement.

Vote Required for Approval

The approval of each of the Articles Amendment Proposals will require a special resolution under Cayman Islands law and pursuant to SPAC MAA, being the affirmative vote of shareholders holding at least two-thirds of the ordinary shares which are voted on such resolution in person or by proxy at the Extraordinary General Meeting at which a quorum is present.

Brokers are not entitled to vote on the Articles Amendment Proposals absent voting instructions from the beneficial holder. An abstention will be counted towards the quorum requirement but, as a matter of Cayman Islands law, will not count as a vote cast at the Extraordinary General Meeting. Broker non-votes do not count as votes cast.

Each of the Articles Amendment Proposals is conditioned on the approval of the Business Combination Proposal and the Authorized Share Capital Amendment Proposal at the Extraordinary General Meeting. The approval of the Articles Amendment Proposals is a condition to the consummation of the Business Combination.

Resolutions to be Voted Upon

The full text of the resolutions to be passed is as follows:

“RESOLVED, as a special resolution, that, with effect from the effective time of the Merger, the name of SPAC be changed from “Chenghe Acquisition I Co.” to “FST Ltd.”

RESOLVED, as a special resolution, that, with effect from the effective time of the Merger, the amended and restated memorandum and articles of association of SPAC currently in effect be amended and restated by the deletion in their entirety and the substitution in their place of the second amended and restated memorandum and articles of association attached to the Registration Statement/Proxy Statement as Annex H.”

Recommendation of SPAC Board of Directors

SPAC Board recommends a vote **“FOR”** adoption of each of the Articles Amendment Proposals.

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SPAC SHAREHOLDERS PROPOSAL NO. 5 — THE ADJOURNMENT PROPOSAL

Overview

The Adjournment Proposal allows SPAC Board to submit a proposal to approve, by ordinary resolution, the adjournment of the Extraordinary General Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event, based on the tabulated votes, there are not sufficient votes at the time of the Extraordinary General Meeting to approve one or more proposals presented to SPAC Shareholders for vote. In no event will SPAC solicit proxies to adjourn the Extraordinary General Meeting or consummate the Business Combination beyond the date by which it may properly do so under the SPAC MAA and Cayman Islands law.

Consequences If the Adjournment Proposal Is Not Approved

If the Adjournment Proposal is not approved by SPAC Shareholders, SPAC Board may not be able to adjourn the Extraordinary General Meeting to a later date in the event that there are insufficient votes for, or otherwise in connection with, the approval of the Business Combination Proposal. In such event, the Business Combination would not be completed.

Vote Required for Approval

The approval of the Adjournment Proposal requires an ordinary resolution under Cayman Islands law, being the affirmative vote of a majority of the ordinary shares represented in person or by proxy and entitled to vote thereon and who vote at the SPAC Shareholders’ Meeting. Broker non-votes do not count as votes cast.

The Adjournment Proposal will not be presented if each of the Business Combination Proposal, the Merger Proposal, the Authorized Share Capital Amendment Proposal and the Articles Amendment Proposals is approved. The Adjournment Proposal is not conditioned upon any other proposal.

Resolution to be Voted Upon

The full text of the resolution to be passed is as follows:

“**RESOLVED**, as an ordinary resolution, that the adjournment of the Extraordinary General Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event that there are insufficient votes for the approval of one or more proposals at the Extraordinary General Meeting be approved.”

Recommendation of SPAC’s Board of Directors

SPAC Board recommends a vote “**FOR**” adoption of the Adjournment Proposal.

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THE BUSINESS COMBINATION AGREEMENT AND ANCILLARY DOCUMENTS

The Business Combination Agreement

This section describes the material provisions of the Business Combination Agreement, but does not purport to describe all of the terms thereof. The following summary is qualified in its entirety by reference to the complete text of the Business Combination Agreement, which is attached as Annex A to this Registration Statement/Proxy Statement. SPAC Shareholders and other interested parties are urged to read the Business Combination Agreement in its entirety because it is the primary legal document that governs the Merger.

The Business Combination Agreement contains representations, warranties and covenants that the respective parties made to each other as of the date of the Business Combination Agreement or other specific dates. The assertions embodied in those representations, warranties and covenants were made for purposes of the contract among the respective parties and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating the Business Combination Agreement. The representations, warranties and covenants in the Business Combination Agreement are also modified in part by the underlying disclosure letters (the “disclosure letters”), which are not filed publicly and which are subject to a contractual standard of materiality different from that generally applicable to shareholders and were used for the purpose of allocating risk among the parties rather than establishing matters as facts. We do not believe that the disclosure letters contain information that is material to an investment decision. Additionally, the representations and warranties of the parties to the Business Combination Agreement may or may not have been accurate as of any specific date and do not purport to be accurate as of the date of this Registration Statement/Proxy Statement. Accordingly, no person should rely on the representations and warranties in the Business Combination Agreement or the summaries thereof in this Registration Statement/Proxy Statement as characterizations of the actual state of facts about SPAC, FST, CayCo, Merger Sub or any other matter.

Structure of the Business Combination

On December 22, 2023, SPAC, FST, CayCo and Merger Sub, entered into a Business Combination Agreement, pursuant to which, among other things and subject to the terms and conditions contained in the Business Combination Agreement, (i) immediately after the FST Restructuring Closing and at the Merger Effective Time, Merger Sub will merge with and into SPAC, the separate corporate existence of Merger Sub will cease and SPAC will be the surviving corporation and a wholly owned subsidiary of CayCo; and (ii) SPAC will change its name to “FST Ltd.”

The closing of the Business Combination will be conditional upon, among other things, the FST Restructuring Closing.

FST Restructuring

To maximize CayCo’s control over FST’s business and operations after the Closing and enhance the efficiency of future fundraising, the parties intend to have each existing FST Shareholder exchange the Company Shares held by it, him or her with CayCo Ordinary Shares, so that at the Closing, or as soon as practicable thereafter, CayCo will be the sole shareholder of FST. Pursuant to the Business Combination Agreement, CayCo shall have acquired at least 90% of all issued and outstanding Company Shares on or prior to the Closing. Such restructuring is expected to be effected in two phases.

The FST Parties will use their respective best efforts to cause each other counterparties thereto to execute and deliver (i) the Phase I Restructuring Documents with the relevant parties thereto within seventy-two (72) calendar days after the date of the Business Combination Agreement, pursuant to which CayCo will acquire 55% of the Aggregate Fully Diluted Company Shares, and (ii) the Phase II Restructuring Documents as soon as reasonably practicable and legally feasible and in no event later than thirty (30) Business Days after the Financial Supervisory Commission of Taiwan issues its approval for the termination of the Company’s Taiwan Public Company status. The FST Parties will use their respective best efforts to procure the Company Restructuring

Documents to be executed with each of the relevant parties thereto such that the Company Acquisition Percentage shall be at least 90%.

The FST Parties agree that the Company Restructuring Documents shall provide that at the FST Restructuring Closing, CayCo shall issue and allot to each FST Shareholder who has agreed to so subscribe in respect of each Company Share owned by such person, a number of CayCo Ordinary Shares that is no more than the Subscription Factor, subject to any adjustment in relation to the issuance of fractional shares as set forth in the Business Combination Agreement.

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The FST Restructuring Closing shall take place one (1) Business Day before the Closing Date or such other time and place as Chenghe and FST may mutually agree.

As soon as practicable and to the extent legally feasible under applicable laws after the Closing, FST shall use reasonable best efforts to enter into and consummate (a) a transaction with CayCo for CayCo to acquire the Company Shares owned by the Company Shareholders who choose not to participate in the FST Restructuring or (b) other alternative transactions to be agreed by Chenghe Investment I Limited and FST. At the consummation of such share exchange transaction, CayCo will be the sole shareholder of FST.

The “**Subscription Factor**” is a number resulting from *dividing* (x) the result of the quantity of the Base Equity Value divided by U.S.\$10.00, by (y) the Aggregate Fully Diluted Company Shares as at the time of calculation. The “**Aggregate Fully Diluted Company Shares**” means, without duplication, the aggregate number of Company Shares that are (i) issued and outstanding or (ii) issuable upon, or subject to, (x) the exercise or settlement of any Option or (y) the consummation of any PIPE Investment, if any. The “**Base Equity Value**” means U.S.\$400,000,000. The “**Company Acquisition Percentage**” means a number, expressed as a percentage, calculated by *dividing* (x) the number of Aggregate Fully Diluted Company Shares owned by CayCo immediately after the FST Restructuring Closing by (y) the Aggregate Fully Diluted Company Shares at such time.

Merger

At the Closing, in accordance with the Cayman Companies Act, Merger Sub will merge with and into SPAC, the separate corporate existence of Merger Sub will cease and SPAC will be the surviving corporation and a wholly-owned subsidiary of CayCo.

Effect of the Merger on the Share Capital of SPAC and Merger Sub

Pursuant to the Business Combination Agreement, at the Merger Effective Time, and in the case of sub-paragraph (b), immediately prior to the Merger Effective Time, the following will occur:

- (a) each outstanding SPAC Unit, consisting of one (1) SPAC Class A Ordinary Share and one-half (1/2) of one (1) SPAC Warrant, will be automatically separated and the holder thereof will be deemed to hold one (1) SPAC Class A Ordinary Share and one-half (1/2) of one (1) SPAC Warrant;
- (b) each SPAC Class B Ordinary Share that is issued and outstanding immediately prior to the Merger Effective Time shall be automatically converted into one (1) SPAC Class A Ordinary Share and each SPAC Class B Ordinary Shares shall no longer be issued and outstanding and shall automatically be cancelled and cease to exist;
- (c) each SPAC Class A Ordinary Share (which for the avoidance of doubt, includes the SPAC Class A Ordinary Shares (A) issued in connection with the SPAC Class B Conversion; and (B) held as a result of Unit Separation) shall be converted into the right to receive one (1) CayCo Ordinary Share; and
- (d) each SPAC Warrant that is outstanding and unexercised shall be automatically converted into the right to receive a CayCo Warrant, which shall be on the same terms and conditions as the applicable SPAC Warrant.

Closing

In accordance with the terms and subject to the conditions of the Business Combination Agreement, the Closing will take place by conference call and by exchange of signature pages by email or other electronic transmission, at a time and date specified in writing by SPAC and FST, which shall be no later than three (3) Business Days after the first date on which all conditions set forth in Article VIII of the Business Combination Agreement have been satisfied or waived (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver thereof) or such other time and place as SPAC and FST may mutually agree in writing.

Representations and Warranties

The Business Combination Agreement contains representations and warranties of SPAC and the FST Parties, certain of which are qualified by materiality and material adverse effect (as defined below) and may be further modified and limited by the disclosure letters. See “*Material Adverse Effect*” below. The representations and warranties of

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SPAC are also qualified by information included in SPAC’s public filings, filed or submitted to the SEC on or prior to the date of the Business Combination Agreement (subject to certain exceptions contemplated by the Business Combination Agreement).

Representations and Warranties of the FST Parties

Each of the FST Parties has made representations and warranties relating to, among other things, FST organization, subsidiaries, CayCo and Merger Sub, due authorization, no conflict, governmental authorities and approvals, capitalization of FST, financial statements, undisclosed liabilities, litigation and proceedings, legal compliance, contracts and no defaults, FST benefit plans, labor relations and employees, taxes, brokers’ fees, insurance, permits, equipment and other tangible property, real property, intellectual property, privacy and cybersecurity, environmental matters, absence of changes, registration statement and Registration Statement/Proxy Statement, customers and vendors, absence of certain business practices and anti-corruption compliance, government contracts and grants, sufficiency of assets, Company Restructuring Documents, financial assistance, related party transactions and information supplied.

The representations and warranties of the FST Parties identified as fundamental under the terms of the Business Combination Agreement are the representations and warranties made pursuant to the first and second sentences of Section 5.1 (FST Organization), Section 5.2 (Subsidiaries), Section 5.3 (CayCo and Merger Sub), Section 5.4 (Due Authorization), Section 5.5 (No Conflict), Section 5.6 (Governmental Authorities; Approvals), Section 5.7 (Capitalization of FST), Section 5.16 (Brokers’ Fees), Section 5.30 (Company Restructuring Documents) and Section 5.32 (FST Related Parties) of the Business Combination Agreement.

Representations and Warranties of SPAC

SPAC has made representations and warranties relating to, among other things, SPAC organization, due authorization, no conflict, litigation and proceedings, SEC filings, internal controls, listing, financial statements, governmental authorities and approvals, trust account, Investment Company Act and JOBS Act, absence of changes, no undisclosed liabilities, capitalization of SPAC, brokers’ fees, business activities, the Nasdaq stock market quotation, registration statement and Registration Statement/Proxy Statement, and information supplied.

Survival of Representations and Warranties

Except in the case of claims against a person in respect of such person’s willful misconduct or actual fraud, the representations and warranties of the respective parties to the Business Combination Agreement generally will not survive the Closing.

Material Adverse Effect

Under the Business Combination Agreement, certain representations and warranties of the FST Parties are qualified in whole or in part by a material adverse effect standard for purposes of determining whether a breach of such representations and warranties has occurred.

Pursuant to the Business Combination Agreement, a material adverse effect with respect to the FST Parties means any event, state of facts, development, circumstance, occurrence or effect that (i) has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, assets, results of operations or condition of the Group or (ii) does or would reasonably be expected to, individually or in the aggregate, prevent or materially delay the ability of the FST Parties to consummate the Merger by October 26, 2024.

Covenants and Agreements

Each FST Party has made covenants relating to, among other things, FST Parties’ conduct of business, the Company Restructuring Documents, access, preparation and delivery of additional FST financial statements, exclusivity, preparation of Registration Statement/Proxy Statement, FST’s shareholder approval, post-closing directors and officers, indemnification and insurance, listing of CayCo securities and third party consents.

SPAC has made covenants relating to, among other things, SPAC’s conduct of business, no solicitation by

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Conduct of Business by the FST Parties

Each FST Party has agreed that from the date of the Business Combination Agreement through the earlier of the Closing or the termination of the Business Combination Agreement (the “**Interim Period**”), each FST Party will, except as explicitly contemplated by the Business Combination Agreement, the Company Restructuring Documents or the Ancillary Documents, as required by law or as disclosed to or consented to by SPAC in writing (which consent will not be unreasonably conditioned, withheld, delayed or denied), use reasonable efforts to operate the business of the Group or in the ordinary course of business consistent with past practice. FST has also agreed to comply with all laws applicable to it, and its businesses, assets and employees.

During the Interim Period, except as disclosed to and consented to by SPAC in writing (which consent will not be unreasonably conditioned, withheld, delayed or denied), the FST Parties will not, except as otherwise explicitly contemplated by the Business Combination Agreement, the Company Restructuring Documents or the Ancillary Documents or as required by law:

- (a) change or amend the Governing Documents of FST, CayCo or Merger Sub or form or cause to be formed any new Subsidiary of FST;
- (b) make, declare, set a record date for or pay any dividend or distribution to the shareholders of FST or make, declare, set a record date for or pay any other distributions in respect of any of the FST's capital share or equity interests other than the annual dividend distribution as approved by the annual general shareholders meeting of FST;
- (c) subdivide, combine, reclassify, recapitalize or otherwise amend any terms of any shares or series of FST's capital share or equity interests;
- (d) purchase, repurchase, redeem or otherwise acquire any issued and outstanding share capital, outstanding shares of capital share, membership interests or other equity interests of FST, except for the acquisition by FST of any shares of capital share, membership interests or other equity interests of FST in connection with the forfeiture or cancellation of such interests;
- (e) enter into, modify in any material respect or terminate (other than expiration in accordance with its terms) certain material contracts of the Group or any real property lease, in each case, other than entry into such agreements in the ordinary course of business consistent with past practice;
- (f) sell, assign, transfer, convey, lease or otherwise dispose of or subject to a lien (other than a lien permitted under the Business Combination Agreement) any material tangible assets or properties of the Group, including the leased real property, except for dispositions of obsolete or worthless equipment in the ordinary course of business;
- (g) acquire any ownership interest in any real property;
- (h) except as otherwise required by existing FST benefit plans or applicable law or certain material contracts of the Group, (i) grant any severance, retention, change in control or termination or similar pay, (ii) make any change in the key management structure of the Group, or hire or terminate the employment of employees with an annual base salary of U.S.\$300,000 or more, other than terminations for cause or due to death or disability, (iii) terminate, adopt, enter into, materially amend or modify any actuarial or other assumptions used in respect of, any FST benefit plan, (iv) increase the cash compensation or bonus opportunity of any employee, officer, director or other individual service provider, except to any such individuals who are not directors or officers of the Group or in the ordinary course of business consistent with past practice, (v) establish any trust or take any other action to secure the payment of any compensation payable by the Group, (vi) take any action to amend or waive any performance or vesting criteria or to accelerate the time of payment or vesting of any compensation or benefit payable by the Group, except in the ordinary course of business consistent with past practice, (vii) grant any equity or equity-based compensation awards, or (viii) plan, implement, or announce any group employee layoffs, plant closings, reductions in force, furloughs, temporary layoffs, or salary or wage reductions except in the ordinary course of business consistent with past practice;

- (i) acquire by merger or consolidation with, or merge or consolidate with, or purchase substantially all or a material portion of the assets of, any corporation, partnership, association, joint venture or other business organization or division thereof;
- (j) make any material loans or material advances to any person, except for (i) advances to employees, officers or independent contractors of the Group for indemnification, attorneys' fees, travel and other expenses incurred in the ordinary course of business consistent with past practice, and (ii) payment terms for customers and suppliers in the ordinary course of business;
- (k) (i) make, change or revoke any Tax election, (ii) amend, modify or otherwise change any filed tax return, (iii) adopt or request permission of any taxing authority to change any accounting method for Tax purposes, (iv) enter into any "closing agreement" as described in Section 7121 of the Code (or any similar provision of state, local or non-U.S. law) with any Governmental Authority, (v) settle any claim or assessment in respect of any Taxes, (vi) knowingly surrender or allow to expire any right to claim a refund of any Taxes, (vii) consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of any Taxes or in respect to any Tax attribute that would give rise to any claim or assessment of Taxes, or (viii) incur any material Tax liabilities outside of the ordinary course of business consistent with past practice;
- (l) take any action, or knowingly fail to take any action, where such action or failure to act could reasonably be expected to prevent, impair or impede the Intended Tax Treatment of the Transactions, the FST Restructuring, or the Business Combination;
- (m) (i) incur or assume any indebtedness or guarantee any indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of FST or guaranty any debt securities of another person, other than any indebtedness or guarantee incurred in the ordinary course of business and in an aggregate amount not to exceed, individually or in the aggregate, U.S.\$300,000; or (ii) discharge any secured or unsecured obligation or liability (whether accrued, absolute, contingent or otherwise), which individually or in the aggregate exceed U.S.\$300,000, except as otherwise contemplated by the Business Combination Agreement or as such obligations become due;
- (n) issue any Company Shares or securities exercisable for or convertible into Company Shares or grant any additional equity or equity-based compensation;
- (o) adopt a plan of, or otherwise enter into or effect a, complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of FST (other than the Merger);
- (p) waive, release, settle, compromise or otherwise resolve any inquiry, investigation, claim, action, litigation or other legal proceedings, except where such waivers, releases, settlements or compromises involve only the payment of monetary damages in an amount less than U.S.\$300,000 in the aggregate;
- (q) (i) grant to, or agree to grant to, any person any right to or interest in any intellectual property that is material to the Group, (ii) sell, dispose of, abandon or permit to lapse any rights to any intellectual property (other than incidental non-exclusive licenses entered into in the ordinary course of business consistent with past practice), except for the expiration of intellectual property registered or applied for and is owned or purported to be owned by the Group that cannot be further maintained or renewed by applicable statute, or (iii) permit any material intellectual property to become subject to a lien (other than a lien permitted under the Business Combination Agreement);
- (r) disclose or agree to disclose to any person (other than SPAC or any of its representatives) any trade secret or any other material confidential or proprietary information, know-how or process of the Group, other than in the ordinary course of business consistent with past practice and pursuant to written obligations to maintain the confidentiality thereof;
- (s) make or commit to make capital expenditures other than in an amount not in excess of the amount disclosed to SPAC, in the aggregate;
- (t) manage the Group's working capital (including paying amounts payable in a timely manner when due and payable) in a manner other than in the ordinary course of business consistent with past practice;

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- (u) change or amend the privacy policies except as required by applicable law;
- (v) enter into, modify, amend, renew or extend any collective bargaining agreement or similar labor agreement, other than as required by applicable law, or recognize or certify any labor union, works council, labor organization or group of employees of the Group as the bargaining representative for any employees of the Group;

- (w) waive the restrictive covenant obligations of any current or former employee, director or other service provider of the Group;
- (x) (i) limit the right of the Group to engage in any line of business or in any geographic area, to develop, market or sell products or services, or to compete with any Person or (ii) grant any exclusive or similar rights to any person;
- (y) amend in a manner materially detrimental to the Group, terminate, permit to lapse or fail to use reasonable best efforts to maintain any material governmental approval or material permit required for the conduct of the business of the Group;
- (z) fail to avoid or eliminate each and every impediment and to ensure the Taiwan DIR Approval to be effective and in full force until the Closing Date;
- (aa) change, replace, alter, or terminate the engagement with, the auditor of the Group;
- (bb) terminate or amend in a manner materially detrimental to the Group any material insurance policy insuring the business of the Group;
- (cc) waive, amend, revoke or terminate the Phase I Restructuring Documents; or
- (dd) enter into any agreement to do any action prohibited under the Business Combination Agreement.

Conduct of Business of SPAC

SPAC has agreed that during the Interim Period, SPAC will, except as contemplated by the Business Combination Agreement or the Ancillary Documents, as required by law, or as disclosed to or consented to by FST in writing (which consent will not be unreasonably conditioned, withheld, delayed or denied), use reasonable efforts to operate its business in the ordinary course and consistent with past practice.

During the Interim Period, except as consented to by FST in writing (which consent will not be unreasonably conditioned, withheld, delayed or denied), SPAC will not, except as otherwise contemplated by the Business Combination Agreement or the Ancillary Documents or as disclosed in the SPAC SEC filings or as required by law:

- (a) seek any approval from the SPAC Shareholders, to change, modify or amend the Trust Agreement or the Governing Documents of SPAC, except as contemplated by the SPAC Shareholder Proposals;
- (b) except as contemplated by the SPAC Shareholder Proposals, (A) make, declare, set a record date for or pay any dividend or distribution to the SPAC Shareholders or make, declare, set a record date for or declare any other distributions in respect of any of SPAC's share, share capital or equity interests, (B) subdivide, consolidate, reclassify or otherwise amend any terms of any of SPAC's share capital or equity interests, or (C) purchase, repurchase, redeem or otherwise acquire any issued and outstanding share capital, membership interests, warrants or other equity interests of SPAC, other than a redemption of SPAC Ordinary Shares made in connection with the SPAC shareholder redemptions;
- (c) take any action, or knowingly fail to take any action, where such action or failure to act could reasonably be expected to prevent, impair or impede the Intended Tax Treatment of the Transactions, the FST Restructuring or the Business Combination;
- (d) enter into, renew or amend in any material respect, any transaction or contract with an affiliate of SPAC (including, for the avoidance of doubt, (x) the New SPAC Sponsor and (y) any person in which the New SPAC Sponsor has a direct or indirect legal, contractual or beneficial ownership interest of 5% or greater);

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- (e) incur or assume any indebtedness or guarantee any indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of FST or guaranty any debt securities of another person, other than any indebtedness for borrowed money or guarantee (x) incurred in the ordinary course of business consistent with past practice, (y) in respect of any Working Capital Loan, or (z) in respect of any transaction expense by SPAC;
- (f) incur, guarantee or otherwise become liable for (whether directly, contingently or otherwise) any indebtedness or otherwise knowingly and purposefully incur, guarantee or otherwise become liable for (whether directly, contingently or otherwise) any other material liabilities, debts or obligations, other than fees and expenses for professional services incurred in support of the transactions contemplated by the Business Combination Agreement and the Ancillary Documents or in support of the ordinary

course operations of SPAC (which the parties agree shall include any indebtedness in respect of any Working Capital Loan);

- (g) (A) issue any ordinary shares or preference shares of SPAC or securities exercisable for or convertible into such securities, (B) grant any options, warrants or other equity-based awards with respect to such securities not outstanding on the date of the Business Combination Agreement, or (C) amend, modify or waive any of the material terms or rights set forth in any SPAC Warrant or the Warrant Agreement, including any amendment, modification or reduction of the warrant price set forth therein; or
- (h) enter into any agreement to do any action prohibited under the Business Combination Agreement.

Covenants of SPAC

Pursuant to the Business Combination Agreement, SPAC has agreed, among other things, to:

- (a) from the date when FST has received the Taiwan DIR Approval until the Closing Date or, if earlier, the termination of the Business Combination Agreement, not to, and instruct and use its reasonable best efforts to cause its representatives acting on its behalf, not to, (i) make any proposal or offer that constitutes a business combination proposal, (ii) initiate any discussions or negotiations with any person with respect to a business combination proposal, or (iii) enter into any acquisition agreement, business combination, merger agreement or similar definitive agreement, or any letter of intent, memorandum of understanding or agreement in principle, or any other agreement relating to a business combination proposal, in each case, other than to or with SPAC and its representatives. SPAC also agrees that from and after the execution of the Business Combination Agreement, it shall, and shall instruct its officers and directors to, and shall instruct and cause its representatives acting on its behalf, its subsidiaries and their respective representatives (acting on their behalf) to, immediately cease and terminate all discussions and negotiations with any persons that may be ongoing with respect to a business combination proposal (other than with FST and its representatives);
- (b) as promptly as practicable after the registration statement on Form F-4 is declared effective under the Securities Act, (i) cause this Registration Statement/Proxy Statement to be disseminated to SPAC Shareholders in compliance with applicable law, (ii) solely with respect to the following clause (1), duly (1) give notice of and (2) convene and hold an extraordinary general meeting of its shareholders in accordance with SPAC MAA and the Nasdaq rules and regulations for a date no later than thirty-five (35) Business Days following the date the registration statement on Form F-4 is declared effective, and (iii) solicit proxies from the holders of SPAC Ordinary Shares to vote in favor of each of the SPAC Shareholder Proposals, and provide its shareholders with the opportunity to elect to effect a SPAC shareholder redemption;
- (c) (i) cause any documents, opinions and notices required to be delivered to Continental pursuant to the Trust Agreement to be so delivered, and (ii) use its reasonable best efforts to cause Continental to, and Continental will thereupon be obligated to (1) pay as and when due all amounts payable to SPAC shareholders pursuant to the redemptions of SPAC Class A ordinary shares, (2) pay the unpaid transaction expenses in accordance with the Business Combination Agreement as instructed by SPAC in accordance with the Trust Agreement, and (3) pay all remaining amounts then available in the Trust Account to SPAC for immediate use, subject to the Business Combination Agreement and the Trust Agreement;

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- (d) from the date of the Business Combination Agreement through the Merger Effective Time, ensure SPAC remains listed as a public company on the Nasdaq; and
- (e) from the date of the Business Combination Agreement through the Merger Effective Time, keep current and timely file all reports, statements and schedules required to be filed or furnished with the SEC and otherwise comply in all material respects with its reporting obligations under applicable laws.

Covenants of the FST Parties

Pursuant to the Business Combination Agreement, each FST Party has agreed, among other things, to:

- (a) (i) use their respective best efforts to cause each other counterparties to execute and deliver (1) the Phase I Restructuring Documents with the relevant parties thereto within seventy-two (72) calendar days after the date of the Business Combination Agreement, (2) the Phase II Restructuring Documents as soon as reasonably practicable and legally feasible and in no event later than thirty (30) Business Days after the Financial Supervisory Commission of Taiwan issues its

- approval for the termination of FST's Taiwan Public Company status; (ii) use their respective best efforts to cause the Company Restructuring Documents to be executed with each of the relevant parties thereto such that the Company Acquisition Percentage shall be at least 90%; and (iii) ensure that the Company Restructuring Documents and its execution and delivery do not and will not impose, create or constitute any liability, debt or obligation of or claim or judgment against, SPAC or its affiliates;
- (b) take all actions as soon as practicable and as may be reasonably necessary to (i) implement and consummate the FST Withdrawal (as defined in the Business Combination Agreement) in accordance with the Business Combination Agreement; (ii) implement the Squeeze Out in accordance with the Business Combination Agreement; and (iii) keep SPAC, the New SPAC Sponsor and their respective representatives informed of all developments in respect of the FST Withdrawal and the Squeeze Out, and share all material communication or written agreements with the FST Shareholders;
 - (c) cooperate in good faith with any Governmental Authority and undertake promptly any and all action required to obtain any necessary or advisable regulatory approvals, consents, actions, non-actions or waivers in connection with the FST Restructuring as soon as practicable and any and all action necessary to consummate the FST Restructuring;
 - (d) (i) as promptly as possible but in any event no later than ten (10) Business Days after FST's de-registration of trading from the Taiwan Stock Market, file or submit all necessary submissions, notifications, filings and applications in connection with the Phase I DIR Approval and shall each use their respective best efforts to obtain the Phase I DIR Approval as promptly and as legally feasible and reasonably practicable, and take all such actions as are necessary to maintain the effectiveness of such approval until the Transactions and the FST Restructuring have been consummated; (ii) not do anything to revoke, modify in any material respect, or terminate the Phase I DIR Approval, (iii) avoid or eliminate each and every impediment under any law that cause the Phase I DIR Approval to lose effect, and (iv) keep SPAC and its representatives informed of all developments in respect of the Phase I DIR Approval;
 - (e) (i) as promptly as possible, but in any event no later than thirty (30) Business Days after the termination of FST's Taiwan Public Company status, file or submit all necessary submissions, notifications, filings and applications in connection with the Phase II DIR Approval; (ii) use best efforts to obtain the Phase II DIR Approval required to consummate the Transactions and the FST Restructuring, as promptly and as legally feasible and reasonably practicable; (iii) not do anything to revoke, modify in any material respect, or terminate the Phase II DIR Approval, (iv) avoid or eliminate each and every impediment under any law that cause the Phase II DIR Approval to lose effect, and (v) keep SPAC and its representatives informed of all developments in respect of the Phase II DIR Approval;
 - (f) from the date of the Business Combination Agreement until the Closing Date, not to (i) change, amend, restate, replace, supplement, assign or otherwise modify or terminate the Company Restructuring Documents; or (ii) agree to the waiver of any rights thereunder; (iii) cancel or terminate the company Restructuring Documents;

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- (g) keep SPAC and its representatives informed of all developments in respect of the Company Restructuring Documents and give SPAC and its representatives prompt written notice of the discussion, negotiation and signing status of the Company Restructuring Documents;
- (h) as promptly as reasonably practicable following the date of the Business Combination Agreement, deliver to SPAC (i) audited financial statements for the years ended December 31, 2022 and December 31, 2021 consisting of audited consolidated balance sheets as of December 31, 2022 and 2021 and consolidated statements of operations, cash flows and changes in shareholders' equity of the Group for the years ended December 31, 2022 and December 31, 2021, audited in accordance with the standards of the Public Company Accounting Oversight Board and containing an unqualified report of FST's auditors and (ii) an unaudited consolidated balance sheet of the Group and consolidated statements of operations and comprehensive loss, cash flows and changes in shareholders' equity of the Group as of and for a year-to-date period ended as of the end of each quarterly period thereafter that is required to be included in the registration statement on Form F-4 or this Registration Statement/Proxy Statement and any other filings to be made by FST or SPAC with the SEC in connection with the Transactions;
- (i) from the date of the Business Combination Agreement until the Closing Date or, if earlier, the termination of the Business Combination Agreement, not, and instruct and use their reasonable best

efforts to cause its and their representatives acting on its and their behalf, not to, (i) initiate any negotiations with any person with respect to, or provide any non-public information or data concerning the Group, CayCo or Merger Sub to any person relating to, an acquisition proposal or afford to any person access to the business, properties, assets or personnel of the Group, CayCo or Merger Sub in connection with an acquisition proposal, (ii) enter into any acquisition agreement, merger agreement or similar definitive agreement, or any letter of intent, memorandum of understanding or agreement in principle, or any other agreement relating to an acquisition proposal, (iii) grant any waiver, amendment or release under the anti-takeover laws of any state, (iv) otherwise knowingly facilitate any such inquiries, proposals, discussions, or negotiations or any effort or attempt by any person to make an acquisition proposal, (v) prepare or take any steps in connection with a public offering of any equity securities of the FST Parties, or a newly formed holding company of the FST Parties or such subsidiaries, or (vi) otherwise cooperate in any way with, or assist or participate in, or knowingly facilitate or encourage any effort or attempt by any person to do or seek to do any of the foregoing;

- (j) obtain and deliver to SPAC the Company Shareholder Approval through an extraordinary general shareholders meeting and in accordance with the terms and subject to the conditions of FST's Governing Documents as soon as reasonably practicable, but in no event later than forty five (45) Business Days after the date of the Business Combination Agreement;
- (k) prior to the Closing Date, approve and adopt the new equity incentive plan, in a form with customary terms and conditions that is reasonably agreed by and between SPAC and FST;
- (l) take all such action within its power as may be necessary or appropriate such that immediately following the Merger Effective Time the CayCo Board shall consist of five (5) directors, at least three (3) of whom shall be "independent" directors for the purposes of the applicable stock exchange rules, to initially consist of (i) one (1) director to be nominated by the New SPAC Sponsor; and (ii) four (4) directors to be nominated by FST, at least three (3) of whom shall be independent directors, in consultation with the New SPAC Sponsor;
- (m) from and after the Merger Effective Time, indemnify and hold harmless each present and former director and officer of SPAC and each of its subsidiaries (the "**SPAC Indemnified Parties**") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any legal proceeding, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Merger Effective Time, whether asserted or claimed prior to, at or after the Merger Effective Time, to the fullest extent that SPAC or its subsidiaries, as the case may be, would have been permitted under applicable law and their respective governing documents in effect on the date of the Business Combination Agreement to indemnify such SPAC Indemnified Parties (including the advancing of expenses as incurred to the fullest extent permitted under applicable law);

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- (n) obtain and maintain in effect a "tail" insurance policy for a period of six (6) years from the Merger Effective Time covering those persons who are currently covered by SPAC's or its subsidiaries' directors' and officers' liability insurance policies on terms not materially less favorable to the terms of the current insurance coverage maintained by SPAC;
- (o) on the Closing Date, enter into customary indemnification agreements reasonably satisfactory to each of FST and SPAC with the post-Closing directors and officers of CayCo, which indemnification agreements will continue to be effective following the Closing;
- (p) as promptly as reasonably practicable after the date of the Business Combination Agreement, and in any event prior to the Merger Effective Time, cause (i) CayCo's initial listing application with the applicable stock exchange in connection with the Transactions and the FST Restructuring to be approved; (ii) CayCo to satisfy all applicable initial listing requirements of the applicable stock exchange; and (iii) CayCo Ordinary Shares to be approved for listing on the applicable stock exchange, subject to official notice of issuance;
- (q) not purchase or sell any securities of SPAC in violation of U.S. federal securities laws and the rules and regulations of the SEC promulgated thereunder or otherwise and other applicable foreign and domestic laws on a person possessing material nonpublic information about a publicly traded company;
- (r) at or prior to the Closing, terminate or settle without further liability to SPAC or the FST Parties certain affiliate agreements, if any;

- (s) as soon as practicable after the date of the Business Combination Agreement and in any event before the Closing Date, make any required notification and obtain all applicable consent, waiver or approval required from any third party, if any under any contracts, including without limitation to any loan agreements, financing agreements, licensing agreements, and lease agreements, in connection with the Transaction or the FST Restructuring; and
- (t) take all action necessary to cause CayCo and Merger Sub to perform their respective obligations under the Business Combination Agreement and to consummate the transactions contemplated by the Business Combination Agreement, the Company Restructuring Documents or the Ancillary Documents.

Joint Covenants of SPAC and the FST Parties

In addition, each of SPAC and the FST Parties has agreed, among other things, to take certain actions set forth below:

- (a) as promptly as practicable after the execution of the Business Combination Agreement, jointly prepare and CayCo shall file with the SEC the registration statement on Form F-4, in connection with the registration under the Securities Act of CayCo Ordinary Shares that will be issued in connection with the Merger and the FST Restructuring;
- (b) use its reasonable best efforts to (i) cause this Registration Statement/Proxy Statement to comply with the rules and regulations promulgated by the SEC, (ii) respond as promptly as reasonably practicable to and resolve all comments received from the SEC concerning this Registration Statement/Proxy Statement, and (iii) have the registration statement on Form F-4 declared effective under the Securities Act as promptly as practicable after such filing and to keep the registration statement on Form F-4 effective as long as is necessary to consummate the Transactions and the FST Restructuring;
- (c) (i) use reasonable best efforts to obtain as soon as practicable all material consents and approvals of third parties that any of SPAC, the Group, CayCo or Merger Sub or their respective affiliates are required to obtain in order to consummate the Merger and the FST Restructuring, and (ii) take such other action as soon as practicable as may be reasonably necessary or as another party thereto may reasonably request to satisfy the closing conditions or otherwise to comply with the Business Combination Agreement and to consummate the Transactions and the FST Restructuring as soon as practicable and in accordance with all applicable law;

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- (d) use reasonable best efforts to cooperate in good faith with any Governmental Authority and to undertake promptly any and all action required to obtain any necessary or advisable regulatory approvals, consents, actions, non-actions or waivers in connection with the Transactions, and use commercially reasonable efforts to cause the expiration or termination of the waiting, notice or review periods under any applicable regulatory approval with respect to the Transactions as promptly as possible after the execution of the Business Combination Agreement;
- (e) (i) diligently and expeditiously defend and use reasonable best efforts to obtain any necessary clearance, approval, consent, or governmental approval under laws prescribed or enforceable by any Governmental Authority for the Transactions and to resolve any objections as may be asserted by any Governmental Authority with respect to the Transactions and cooperate fully with each other in the defense of such matters; and (ii) to the extent not prohibited by law, keep the other party reasonably informed regarding the status and any material developments regarding any governmental approval processes;
- (f) reasonably cooperate in a timely manner in connection with any financing arrangement the parties seek in connection with the Transactions;
- (g) prior to the Merger Effective Time, take all such steps as may be reasonably required (to the extent permitted under applicable law) to cause any acquisition of CayCo Ordinary Shares (including, in each case, securities deliverable upon exercise, vesting or settlement of any derivative securities) resulting from the Transactions or the FST Restructuring by each individual who may become subject to the reporting requirements of Section 16(a) of the Exchange Act to be an exempt transaction under Rule 16b-3 promulgated under the Exchange Act;
- (h) use respective commercially reasonable efforts to cause the Transactions and the FST Restructuring to qualify, and agree not to take any action which to its knowledge could reasonably be expected to prevent, impair or impede the Transactions and the FST Restructuring from qualifying for the

Intended Tax Treatment;

- (i) after the date of the Business Combination Agreement and prior to the Merger Effective Time, in the event that any shareholder litigation related to the Business Combination Agreement, the Company Restructuring Documents or the other Transaction Agreements or the Transactions or the FST Restructuring is brought or threatened in writing against SPAC or the FST Parties, or any of the respective members of their boards of directors (the “**Shareholder Litigation**”), promptly notify the other party in writing of any such Shareholder Litigation and shall keep the other party reasonably informed with respect to the status thereof;
- (j) during the period between the date of the Business Combination Agreement and the earlier of the date of Closing or the date of termination of the Business Combination Agreement, reasonably promptly notify the other party of the occurrence of certain events; and
- (k) from the date of the Business Combination Agreement through the Merger Effective Time and subject to applicable laws, provide each other and its representatives with access to the management, officers, employees, customers, accountants, properties, businesses and operations of each other and the opportunity to examine (including the right to make copies) the contracts, work papers, tax returns and books and records of the other as it may reasonably request, and shall use its reasonable best efforts to cause its officers, employees, attorneys, accountants, consultants, agents and other representatives to reasonably cooperate with the accessing parties and its representatives in connection with such access and examination.

Conditions to Closing of the Business Combination

The consummation of the Merger is conditioned upon the satisfaction or waiver by the applicable parties to the Business Combination Agreement of the conditions set forth below. Therefore, unless these conditions are waived by the applicable parties to the Business Combination Agreement, the Merger may not be consummated. There can be no assurance that the parties to the Business Combination Agreement would waive any such provisions of the Business Combination Agreement.

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Conditions to the Obligations of SPAC and the FST Parties

Under the Business Combination Agreement, the obligations of SPAC and the FST Parties to consummate the Transactions are subject to satisfaction or, at or prior to the Merger Effective Time, waiver in writing by all such parties of the following conditions:

- (a) the SPAC Shareholder Approval will have been obtained;
- (b) the Company Shareholder Approval will have been obtained;
- (c) there will not be in force any governmental order, statute, rule or regulation enjoining or prohibiting the consummation of the Merger; provided, that the Governmental Authority issuing such governmental order has jurisdiction over the parties hereto with respect to the Transactions or the FST Restructuring;
- (d) SPAC will have at least U.S.\$5,000,001 of net tangible assets (as determined in accordance with Rule 3a51-1(g)(1) of the Exchange Act);
- (e) CayCo Ordinary Shares to be issued in connection with the Merger and the FST Restructuring will have been approved for listing on the applicable Stock Exchange and such approval will be ongoing, and not revoked or withdrawn, as of the Closing Date; and
- (f) the registration statement on Form F-4 will have become effective under the Securities Act and no stop order suspending the effectiveness of the registration statement will have been issued and no proceedings for that purpose will have been initiated or threatened by the SEC and not withdrawn.

Other Conditions to the Obligations of SPAC

The obligations of SPAC to consummate, or cause to be consummated, the Transactions are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by SPAC:

- (a) (i) certain fundamental representations and warranties of the FST Parties will be true and correct in all material respects, in each case as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct in all respects at and as of such date, except for changes after the date of the Business

Combination Agreement which are contemplated or expressly permitted by the Business Combination Agreement or the Ancillary Documents, (ii) the representation and warranty of FST contained in the second sentence of Section 5.24 of the Business Combination Agreement will be true and correct as of the Closing Date in all respects, and (iii) each of the other representations and warranties of the FST Parties contained in the Business Combination Agreement (disregarding any qualifications and exceptions contained therein relating to materiality, material adverse effect and Company Material Adverse Effect or any similar qualification or exception) shall be true and correct in all material respects as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties will be true and correct in all material respects at and as of such date, except for, in each case, inaccuracies or omissions that would not, individually or in the aggregate, reasonably be expected to be material to the Group, taken as a whole;

- (b) each of the covenants of the FST Parties to be performed as of or prior to the Closing will have been performed in all material respects;
- (c) the Company Acquisition Percentage will be at least 90%;
- (d) the FST Restructuring will have been consummated;
- (e) there will not have occurred a Company Material Adverse Effect after the date of the Business Combination Agreement;
- (f) FST will have delivered or caused to be delivered an opinion issued by its Taiwan counsel to SPAC to the effect that no pending approval is required by any Taiwan Governmental Authorities for the Merger and the FST Restructuring, issuance of the equity securities in connection with the Merger and the FST Restructuring, and CayCo's listing on the applicable Stock Exchange, including but not limited to the Taiwan DIR Approval;

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- (g) the Taiwan DIR Approval will have been obtained and be effective;
- (h) all Third Party Consents will have been obtained, if any; and
- (i) the CayCo Cap Table and Closing Calculation will have been prepared in accordance with the Business Combination Agreement and accurately reflected the equity shareholding of SPAC Shareholders and the FST Shareholders as at the Closing.

Conditions to the Obligations of the FST Parties

The obligations of the FST Parties to consummate, or cause to be consummated, the Transactions are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by FST:

- (a) (i) the representations and warranties of SPAC in relation to its capitalization will be true and correct in all but de minimis respects as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties will be true and correct in all but de minimis respects at and as of such date, except for changes after the date of the Business Combination Agreement which are contemplated or expressly permitted by the Business Combination Agreement, and (ii) each of the other representations and warranties of SPAC contained in the Business Combination Agreement (disregarding any qualifications and exceptions contained therein relating to materiality, material adverse effect or any similar qualification or exception) will be true and correct as of the Closing Date, except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties will be true and correct in all material respects at and as of such date, in each case, inaccuracies or omissions that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on SPAC's ability to consummate the Transactions; and
- (b) each of the covenants of SPAC to be performed as of or prior to the Closing will have been performed in all material respects.

Termination

The Business Combination Agreement may be terminated and the Transactions may be abandoned at any time prior to the Closing:

- (a) by mutual written consent of both FST and SPAC at any time;

- (b) by FST or SPAC, if the Closing shall not have occurred by 5:00 p.m. (Hong Kong time) on October 26, 2024; provided, that neither FST nor SPAC may terminate the Business Combination Agreement if it is in material breach of any of its obligations set forth in the Business Combination Agreement and such material breach causes, or results in, either (i) the failure to satisfy the conditions to the obligations of the terminating party to consummate the Closing prior to the Agreement End Date, or (ii) the failure of the Closing to have occurred prior to the Agreement End Date;
- (c) by FST or SPAC, if any Governmental Authority (except for the Taiwan DIR Approval) shall have enacted, issued, promulgated, enforced or entered any governmental order, which has become final and non-appealable and has the effect of making consummation of the Merger or the FST Restructuring illegal or otherwise preventing or prohibiting consummation of the Merger or the FST Restructuring;
- (d) by FST, if the SPAC Shareholder Approval shall not have been obtained by reason of the failure to obtain the required vote at the Extraordinary General Meeting duly convened therefor and at any adjournment or postponement thereof, as applicable;
- (e) by FST, if SPAC is in material breach of any of its obligations under in the Business Combination Agreement and such material breach will result in the failure to satisfy the conditions to the obligations of the FST Parties to consummate the Closing, provided that if such material breaches are curable by SPAC, then, for a period of up to thirty (30) calendar days after receipt by SPAC of notice from FST of such material breaches, but only as long as SPAC continues to use its reasonable best efforts to cure such material breaches, such termination by the FST will be effective by the end of such thirty (30) calendar days;

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- (f) by SPAC, if the Company Acquisition Percentage shall not have reached 90% at the FST Restructuring Closing;
- (g) by SPAC, if (i) the FST Parties fail to receive the Phase I DIR Approval within one hundred thirty two (132) calendar days after the date of the Business Combination Agreement; (ii) the FST Parties fail to receive the Phase II DIR Approval within two hundred and ten (210) calendar days after the date of the Business Combination Agreement; or (iii) such Taiwan DIR Approval is revoked, terminated or loses effect, provided that in each case of (i) and (ii), if FST provides a written confirmation prior to the relevant deadline (or if later, the date on which SPAC notifies FST it wants to terminate under this subsection to SPAC, with reasonable evidence demonstrating that failure to obtain Phase I DIR Approval or Phase II DIR Approval (as applicable) was due to curable defects, then, for sixty (60) calendar days from the delivery of such confirmation, any termination notice from SPAC will not be effective, as long as the FST Parties use their respective best efforts in such period to cure all such defects and seek the Taiwan DIR Approval, and if by the end of the period the Taiwan DIR Approval has not been obtained, any termination notice by SPAC under this subsection can be immediately effective;
- (h) by SPAC, if FST has suffered or there is a Company Material Adverse Effect;
- (i) by SPAC, if the FST Parties are in material breach of any of their respective obligations set forth in the Business Combination Agreement and such material breach will result in the failure to satisfy the conditions to the obligations of SPAC to consummate the Closing, provided that if such material breaches are curable by the FST Parties, then, for a period of up to thirty (30) calendar days after receipt by the FST of notice from SPAC of such material breaches, but only as long as the FST Parties continue to use their respective reasonable best efforts to cure such material breaches, such termination by SPAC will be effective by the end of such thirty (30) calendar days; or
- (j) by SPAC, if the Company Shareholder Approval shall not have been obtained within forty-five (45) Business Days after the date of the Business Combination Agreement and at any adjournment or postponement thereof, as applicable.

Effect of Termination

If the Business Combination Agreement is terminated, the Business Combination Agreement will become void, and there will be no liability under the Business Combination Agreement on the part of any party thereto or their affiliates, except as set forth in the Business Combination Agreement. The Business Combination Agreement provides that no such termination shall relieve any liability on the part of any party for a willful breach of the Business Combination Agreement, willful misconduct or fraud.

Waiver; Amendments

Each provision in the Business Combination Agreement may only be waived by written instrument making specific reference to the Business Combination Agreement and the relevant provision signed by the party against whom enforcement of any such provision so waived is sought.

In general, the Business Combination Agreement may not be amended or modified, except only by written agreement executed and delivered by duly authorized officers of each of the respective parties.

Fees and Expenses

Under the Business Combination Agreement, except as otherwise set forth therein, each party to the Business Combination Agreement will pay its own fees and expenses incurred in connection with the Business Combination Agreement, the Ancillary Documents and the Transactions, including the fees and disbursements of legal counsel, investment bankers, finders and other representatives or consultants; provided that, FST shall bear all of the fees and costs relating to the extension of the SPAC Termination Date which shall not exceed U.S.\$80,000 per month. If the Business Combination Agreement is terminated by SPAC or FST in accordance with its terms, FST will pay and reimburse all SPAC Transaction Expenses (as defined in the Business Combination Agreement) and pay or cause to be paid a termination fee equal to U.S.\$2,000,000 to SPAC (or one or more of its designees), and if the Business Combination Agreement is terminated by SPAC in accordance with its terms, FST will pay and reimburse

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all SPAC Transaction Expenses. If the Business Combination Agreement is terminated by FST in accordance with its terms, SPAC will pay and reimburse all Company Transaction Expenses (as defined in the Business Combination Agreement). If the Closing occurs, then FST and CayCo will pay, or cause to be paid, all unpaid transaction expenses as provided in the Business Combination Agreement. FST will pay all transfer taxes incurred in connection with the FST Restructuring.

Regulatory Approvals Related To The Business Combination

The transactions contemplated by the Business Combination Agreement, including the Business Combination, are not presently believed to be subject to any federal or state regulatory requirement or approval in the U.S.

The transactions contemplated by the Business Combination Agreement, including the Business Combination, are not presently believed to be subject to any government regulatory approval requirement in Taiwan, except for the Phase I DIR Approval and the Phase II DIR Approval, which are required to be obtained from the Department of Investment Review under the Ministry of Economic Affairs of Taiwan under Taiwan's Statute For Investment By Foreign Nationals in connection with the consummation of the FST Restructuring.

Competition and Antitrust

At any time before or after the consummation of the Business Combination, the U.S. Federal Trade Commission (the “**FTC**”), the Antitrust Division of the U.S. Department of Justice (the “**Antitrust Division**”), non-U.S. competition authorities or others, including in Taiwan and/or Cayman Islands, could take action under antitrust laws with respect to the Business Combination, including seeking to enjoin consummation of the Business Combination, or to condition approval of the Business Combination on the divestiture of assets of SPAC, the Company or their respective subsidiaries or to impose restrictions on the operations of CayCo or its subsidiaries that would apply after the consummation of the Business Combination. Private parties may also bring objections or legal actions under antitrust laws under certain circumstances.

The Business Combination may be challenged on antitrust grounds and, if such a challenge is made, the challenge may be successful. Similarly, the antitrust approvals necessary to consummate the Business Combination and the other transactions contemplated by the Business Combination Agreement may not be obtained and the granting of these approvals may involve the imposition of conditions to such consummation. These conditions or changes could result in the conditions to each party's obligations to consummate the Business Combination not being satisfied prior to the Agreement End Date (which is summarized in the subsection entitled “*The Business Combination Agreement and Ancillary Documents — Termination*” elsewhere in this Registration Statement/Proxy Statement) or any extensions thereof, which would give any party to the Business Combination Agreement the right to terminate the Business Combination Agreement without consummating the Business Combination.

Please see the subsections entitled “*Covenants of the SPAC*” and “*Conditions to Closing of the Business Combination*” elsewhere in this Registration Statement/Proxy Statement for information concerning SPAC's and

the Company's covenants and closing conditions related to antitrust filings and approvals.

Ancillary Documents

This section describes the material provisions of certain additional agreements entered into in connection with the Business Combination or to be entered into pursuant to the Business Combination Agreement, which are referred to herein as the "Ancillary Documents," but does not purport to describe all of the terms thereof. The following summary is qualified in its entirety by reference to the complete text of each of the Ancillary Documents, which are attached as annexes to this Registration Statement/Proxy Statement as noted below. SPAC Shareholders and other interested parties are urged to read such Ancillary Documents in their entirety.

Sponsor Support Agreement (Annex C)

In connection with the execution of the Business Combination Agreement, the Sponsors, SPAC and FST entered into the Sponsor Support Agreement, dated as of December 22, 2023, a copy of which is attached to this Registration Statement/Proxy Statement as Annex C. Pursuant to the Sponsor Support Agreement, the Sponsors agreed to, among other things, (i) vote in favor of the Business Combination Agreement and all other documents and transactions contemplated thereby, in each case, subject to the terms and conditions of the Sponsor Support Agreement, and (ii) not

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redeem, or submit a request to redeem, any SPAC Ordinary Shares owned by the Sponsors in connection with the transactions contemplated by the Business Combination Agreement or otherwise. The New SPAC Sponsor has entered into a joinder agreement dated as of October 6, 2023, to the letter agreement with SPAC, dated as of January 24, 2022, in connection with SPAC's initial public offering, pursuant to which the Sponsors and other signatories (each of whom is a member of SPAC Board and/or management team) is subject to certain restrictions on transfer with respect to the Founder Shares and SPAC Private Placement Warrants. Such restrictions on the Founder Shares end on the date that is one year after Closing, or are subject to an early price-based release if: (a) the closing price of the shares equals or exceeds \$12.00 per share for any twenty trading days within any thirty (30)-day trading period commencing at least 120 days after the Business Combination, or (b) SPAC completes a transaction that results in Public Shareholders having the right to exchange the SPAC Class A ordinary shares for cash, securities or other property. The restrictions on the SPAC Private Placement Warrants end on 30 days after the completion of a business combination.

The Sponsor Support Agreement will terminate in its entirety, and be of no further force or effect, upon the earliest to occur of (a) the Merger Effective Time, (b) such date and time as the Business Combination Agreement shall be terminated in accordance with Section 9.1 thereof, (c) the written agreement of SPAC, FST and the Sponsors.

Company Shareholder Support Agreement (Annex D)

In connection with the execution of the Business Combination Agreement, SPAC, FST, CayCo, certain FST Shareholders and certain CayCo Shareholders, entered into the Company Shareholder Support Agreement dated as of December 22, 2023, a copy of which is attached to this Registration Statement/Proxy Statement as Annex D. Pursuant to the Company Shareholder Support Agreement, such FST Shareholders and CayCo Shareholders agreed to, among other things, vote their Company Shares or CayCo Ordinary Shares, as applicable, in favor of the Business Combination Agreement and the other documents contemplated thereby and the related transactions contemplated thereby, including the FST Restructuring and the Merger, subject to the terms and conditions contemplated by the Company Shareholder Support Agreement. During the period commencing on the date of the Company Shareholder Support Agreement and ending on the earlier of (a) the Merger Effective Time and (b) such date and time as the Business Combination Agreement shall be terminated in accordance with Section 9.1 thereof, such FST Shareholders and CayCo Shareholders agreed not to transfer any Company Shares or CayCo Ordinary Shares, as applicable.

Lock-Up Agreement (Annex E)

The Sponsors, certain Sponsor Key Holders and certain FST Shareholders will enter into the Lock-Up Agreement with CayCo at the Closing, pursuant to which each of the Sponsors and such Sponsor Key Holder and FST Shareholder will agree, subject to certain customary exceptions, not to transfer any CayCo Ordinary Shares beginning on the Closing Date and ending on the earlier of (i) six (6) months after the Closing Date, or (ii) subsequent to the Closing Date, the date on which (x) the closing trading price of the CayCo Ordinary Shares equals or exceeds U.S.\$12.00 per share (as adjusted for share subdivisions, share dividends, reorganizations, recapitalizations and the like) for any twenty (20) trading days within any thirty (30)-trading day period at least one-hundred and fifty (150) days after the Closing Date; or (y) the consummation of a bona fide liquidation,

merger, stock exchange, reorganization, tender offer, change of control or other similar transaction which results in all of the CayCo Shareholders having the right to exchange their CayCo Ordinary Shares for cash, securities or other property subsequent to the Closing Date.

Investor Rights Agreement (Annex F)

The Business Combination Agreement contemplates that, at the Closing, CayCo, FST, SPAC, certain FST Shareholders and certain SPAC Shareholders, will enter into the Investor Rights Agreement, pursuant to which, (i) CayCo will agree to undertake certain resale shelf registration obligations in accordance with the Securities Act, and the holders party thereto, subject to certain requirements and customary conditions, will be granted customary demand and piggyback registration rights, and (ii) each party to the Investor Rights Agreement agrees to cause (x) the CayCo Board to be comprised of five (5) directors (subject to increase by unanimous resolutions of the board from time to time), (y) one (1) of such directors should be nominated by the New SPAC Sponsor and (z) at least three (3) of whom shall be independent directors. As long as the Sponsor Parties (as defined therein) beneficially own any CayCo Ordinary Shares, CayCo shall take all necessary actions to cause the individuals nominated by the New SPAC Sponsor for election as directors to be elected as directors.

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The Investor Rights Agreement amends and restates the registration and shareholder rights agreement that was entered into by SPAC, the New SPAC Sponsor and the other parties thereto in connection with SPAC's initial public offering. The Investor Rights Agreement will terminate on the earlier of (a) the tenth (10th) anniversary of the date of the Investor Rights Agreement or (b) the date as of which (i) all of the Registrable Securities (as defined therein) have been sold, pursuant to a registration statement (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Securities Act and Rule 174 thereunder (or any successor rule promulgated thereafter by the Commission)) or (ii) the holders of all Registrable Securities are permitted to sell the Registrable Securities under Rule 144 (or any similar provision) under the Securities Act without limitation on the amount of securities sold or the manner of sale; provided, further, that with respect to any Holder (as defined therein), such Holder will have no rights under the Investor Rights Agreement and all obligations of CayCo to such Holder under the Investor Rights Agreement shall terminate upon the earliest date (x) such Holder ceases to hold any Registrable Securities and (y) such Holder is permitted to sell the Registrable Securities under Rule 144 (or any similar provision) under the Securities Act without limitation on the amount of securities sold or the manner of sale.

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APPRAISAL RIGHTS

The Cayman Companies Act prescribes when shareholder appraisal rights will be available and sets the limitations on such rights. Where such rights are available and have been validly exercised and not effectively withdrawn or lost, dissenting shareholders are entitled to receive fair value for their shares as determined by the Grand Court of the Cayman Islands.

Regardless of whether shareholder appraisal rights are or are not available, Holders of SPAC Class A Ordinary Shares are still entitled to exercise the rights of redemption as set out herein. However, Holders of SPAC Class A Ordinary Shares who elect to exercise appraisal rights will lose their right to exercise their redemption rights as described herein.

In order for Holders of SPAC Class A Ordinary Shares to validly exercise their appraisal rights in connection with the Business Combination under the Cayman Companies Act, they must provide SPAC prior to the SPAC Shareholders' Meeting their written objection to the Business Combination and a statement demanding the payment for their SPAC Class A Ordinary Shares, and subsequently comply with all procedures and requirements set out in Section 238 of the Cayman Companies Act for the exercise of shareholder appraisal rights.

In essence, that procedure is as follows: (i) as noted above, the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (ii) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice of such approval to each shareholder who made a written objection; (iii) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent in respect of all of his shares, including, among other details, a demand for payment of the fair value of his shares; (iv) within seven days following the date of the expiration of the period set out in (iii) above or seven days

following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his, her or its shares at a price that the company determines is the fair value and if the company and the dissenting shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the dissenting shareholder such amount; and (v) if the company and the dissenting shareholder fail to agree on a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company must (and any dissenting shareholder may) file a petition with the Grand Court of the Cayman Islands to determine the fair value of their shares and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached.

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MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of the material U.S. federal income tax consequences (i) of the Business Combination to U.S. Holders (as defined below) of SPAC Ordinary Shares (excluding any redeemed shares) and SPAC Public Warrants (each a “**SPAC Security**”), (ii) of the subsequent ownership and disposition of CayCo Ordinary Shares and CayCo Warrants (each a “**CayCo Security**”) received in the Business Combination and (iii) exercise of redemption rights by SPAC Shareholders. In addition, the following includes a general discussion of certain U.S. federal income tax consequences of the Business Combination to SPAC and CayCo.

For purposes of this discussion, because the components of a SPAC Unit are generally separable at the option of the holder, the holder of SPAC Unit generally should be treated, for U.S. federal income tax purposes, as the owner of the underlying SPAC Class A Ordinary Share and SPAC Public Warrant components of the SPAC Unit. Accordingly, the separation of a SPAC Unit into the one SPAC Class A Ordinary Share and one-half of one SPAC Public Warrant underlying the SPAC Unit generally should not be a taxable event for U.S. federal income tax purposes. This position is not free from doubt, and no assurance can be given that the IRS would not assert, or that a court would not sustain, a contrary position. Holders of SPAC Securities are urged to consult their tax advisors concerning the U.S. federal, state, local and any non-U.S. tax consequences of the transactions contemplated by the Business Combination (including any redemption of the SPAC Class A Ordinary Share) with respect to any SPAC Class A Ordinary Share and SPAC Public Warrant held through SPAC Units (including alternative characterizations of SPAC Units).

This discussion is based on provisions of the Code, the Treasury Regulations promulgated thereunder (whether final, temporary, or proposed), administrative rulings of the IRS, and judicial decisions, all as in effect on the date hereof, and all of which are subject to differing interpretations or change, possibly with retroactive effect. This discussion does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a holder as a result of the Business Combination or as a result of the ownership and disposition of CayCo Securities. In addition, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular holders nor does it take into account the individual facts and circumstances of any particular holder that may affect the U.S. federal income tax consequences to such holder, and accordingly, is not intended to be, and should not be construed as, tax advice. This summary does not address any tax consequences to investors that directly or indirectly hold equity interests in CayCo prior to the Business Combination. With respect to consequences of holding CayCo Securities, this discussion is limited to holders who acquire such CayCo Securities in connection with the Business Combination or as a result of the exercise of a CayCo Warrant, and with respect to CayCo Warrants, this discussion is limited to holders who hold such CayCo Warrants as a result of their ownership of SPAC Public Warrants prior to and through the Business Combination. This discussion does not address the U.S. federal 3.8% Medicare tax imposed on certain net investment income or any aspects of U.S. federal taxation other than those pertaining to the income tax, nor does it address any tax consequences arising under any U.S. state and local, or non-U.S. tax laws. Holders should consult their own tax advisors regarding such tax consequences in light of their particular circumstances.

No ruling has been requested or will be obtained from the IRS regarding the U.S. federal income tax consequences of the Business Combination or any other related matter; thus, there can be no assurance that the IRS will not challenge the U.S. federal income tax treatment described below or that, if challenged, such treatment will be sustained by a court.

This summary is limited to considerations relevant to U.S. Holders that hold SPAC Securities and, after the completion of the Business Combination, CayCo Securities, as “capital assets” within the meaning of section 1221 of the Code (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxation that may be important to holders in light of their individual circumstances, including holders

subject to special treatment under the U.S. tax laws, such as, for example:

- banks or other financial institutions, underwriters, or insurance companies;
- traders in securities who elect to apply a mark-to-market method of accounting;
- real estate investment trusts and regulated investment companies;
- tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts;

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- expatriates or former long-term residents of the United States;
- subchapter S corporations, partnerships or other pass-through entities or investors in such entities;
- dealers or traders in securities, commodities or currencies;
- grantor trusts and estates;
- persons subject to the alternative minimum tax;
- U.S. persons whose “functional currency” is not the U.S. dollar;
- persons required to accelerate the recognition of any item of gross income with respect to SPAC Securities or CayCo Securities as a result of such income being recognized on an applicable financial statement;
- governments or agencies or instrumentalities thereof;
- mutual funds;
- partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes);
- the Sponsors or their respective affiliates, officers or directors;
- persons who received SPAC Securities or CayCo Securities through the issuance of restricted stock under an incentive plan or through a tax-qualified retirement plan or otherwise as compensation;
- persons who own (directly or through attribution) 5% or more (by vote or value) of the issued and outstanding SPAC Ordinary Shares, or, after the Business Combination, the issued CayCo Ordinary Shares (excluding treasury shares); or
- holders holding SPAC Securities, or, after the Business Combination, CayCo Securities, as a position in a “straddle,” “wash” sale, as part of a “synthetic security” or “hedge,” as part of a “conversion transaction,” or other integrated investment or risk reduction transaction.

As used in this Registration Statement/Proxy Statement, the term “U.S. Holder” means a beneficial owner of SPAC Securities, and, after the Business Combination, CayCo Securities received in the Business Combination, that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds SPAC Securities, and, after the completion of the Business Combination, CayCo Securities received in the Business Combination, the U.S. federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. A holder that is a partnership and the partners in such partnership should consult their own tax advisors with regard to the U.S. federal income tax consequences of the Business Combination and the subsequent ownership and disposition

of CayCo Securities received in the Business Combination. This discussion also assumes that any distribution made (or deemed made) on SPAC Securities or CayCo Securities and any consideration received (or deemed received) by a holder in consideration for the sale or other disposition of SPAC Securities or CayCo Securities will be in U.S. dollars.

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THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE BUSINESS COMBINATION. SPAC SHAREHOLDERS AND WARRANT HOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE BUSINESS COMBINATION, THE EXERCISE OF REDEMPTION RIGHTS BY SPAC SHAREHOLDERS AND OF THE OWNERSHIP AND DISPOSITION OF CAYCO SECURITIES AFTER THE BUSINESS COMBINATION, INCLUDING THE APPLICABILITY AND EFFECTS OF U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX LAWS.

U.S. Federal Income Tax Consequences of the Business Combination to U.S. Holders

1. Generally

The U.S. federal income tax consequences of the Business Combination to U.S. Holders of SPAC Securities will depend, in part, on (1) whether the FST Restructuring together with the Merger qualify as a transfer of property described in Section 351 of the Code and (2) whether the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code.

Legal counsel to SPAC is unable to opine regarding the qualification of the Merger and the FST Restructuring for the Intended Tax Treatment because of certain legal and factual uncertainties.

There are many requirements that must be satisfied in order for the Merger to qualify as a reorganization under Section 368(a) of the Code and/or as part of an integrated transaction governed by Section 351 of the Code, some of which are based upon factual determinations, and the Intended Tax Treatment could be adversely affected by events or actions that occur or are taken after the Merger. One such requirement, among others, for the Merger to qualify as a reorganization under Section 368(a) of the Code is that the acquiring corporation continue, either directly or indirectly through certain controlled corporations, either a significant line of the acquired corporation's historic business or use a significant portion of the acquired corporation's historic business assets in a business, in each case, within the meaning of Treasury regulations Section 1.368-1(d). However, due to the absence of guidance bearing directly on how the above rules apply in the case of an acquisition of a corporation with no active business and only investment-type assets, such as SPAC, we cannot provide guidance on whether the Merger qualifies as a reorganization under Section 368(a) of the Code. In addition, the treatment of the Merger as a reorganization would depend on whether sufficient shareholders of SPAC exchange their ordinary shares for CayCo Ordinary Shares rather than redeem it for cash. If a significant number of shareholders of SPAC decide to redeem their ordinary shares, the "continuity of business enterprise" requirement that is necessary to qualify as a reorganization under Section 368(a) of the Code may not be satisfied. Further, for a transaction to qualify under Section 351 of the Code, persons who transfer property to a corporation in exchange for stock must be in control (as specifically defined under the Code) of the corporation immediately after the exchange. For the transaction to qualify under Section 351 of the Code, shareholders of the SPAC along with the FST Shareholders who subscribe for shares of CayCo in connection with the Company Shareholder Subscription must be treated as part of a single group for purposes of satisfying this control requirement. Due to the funding of the Company Shareholders Subscription and the transitory nature of the cash used in the Company Shareholder Subscription it is not clear whether the FST Shareholders who subscribe for shares of CayCo in connection with the Company Shareholder Subscription would be treated as part of the required control group for purposes of Section 351 of the Code, and thus there is significant legal uncertainty due to a lack of clear authority on point as to whether the Merger together with the FST Restructuring will qualify as an exchange described in Section 351 of the Code. Due to the absence of guidance bearing directly on whether an acquisition of a corporation with no active business can qualify as a reorganization under Section 368(a) of the Code, or whether the FST Restructuring together with the Merger will qualify as an exchange described in Section 351 of the Code, legal counsel to SPAC on U.S. federal income tax matters is not able to render an opinion that the Merger will qualify as a reorganization under Section 368(a) of the Code or as part of an integrated transaction governed by Section 351 of the Code. No ruling has been, or will be, sought by SPAC or CayCo from the IRS with respect to the Business Combination and there can be no assurance that the IRS will not challenge the qualification of the Merger as a reorganization under Section 368(a) of the code or as part of an integrated transaction governed by Section 351 of the Code or that a court would not sustain such a challenge.

ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM OF THE BUSINESS COMBINATION AND THE POTENTIAL TREATMENT

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2. *If the Merger Qualifies as a Reorganization within the Meaning of Section 368(a) of the Code or as Part of an Integrated Transaction Governed by Section 351 of the Code*

a. *With respect to SPAC Ordinary Shares*

If the Merger qualifies as a reorganization under Section 368(a) of the Code and/or as part of an integrated transaction governed by Section 351 of the Code, and subject to the limitations, exceptions and qualifications described herein, a U.S. Holder that exchanges its SPAC Ordinary Shares pursuant to the Business Combination should not recognize gain or loss on the exchange of SPAC Ordinary Shares for CayCo Ordinary Shares. The aggregate adjusted tax basis of a U.S. Holder in the CayCo Ordinary Shares received as a result of the Business Combination should equal the aggregate adjusted tax basis of the SPAC Ordinary Shares surrendered in the exchange. A U.S. Holder's holding period for the CayCo Ordinary Shares received in the exchange should include the holding period for the SPAC Ordinary Shares surrendered in the exchange.

b. *With respect to SPAC Public Warrants*

If the Merger qualifies as a reorganization under Section 368(a) of the Code, regardless of whether it qualifies as part of an integrated transaction governed by Section 351 of the Code and subject to the limitations, exceptions and qualifications described herein, U.S. Holders of SPAC Public Warrants generally should not recognize gain or loss for U.S. federal income tax purposes on the deemed exchange of their SPAC Public Warrants for CayCo Warrants in connection with the Merger, and such U.S. Holder's basis in the CayCo Warrants deemed received should be equal to the U.S. Holder's basis in its SPAC Public Warrants deemed transferred.

If the Merger does not qualify as a reorganization under Section 368(a) of the Code but qualifies as part of an integrated transaction governed by Section 351 of the Code, the treatment of a U.S. Holder's exchange of SPAC Public Warrants for CayCo Warrants in connection with the Merger is uncertain. It is possible that a U.S. Holder could be treated as transferring its SPAC Ordinary Shares and SPAC Public Warrants in exchange for CayCo Ordinary Shares and CayCo Warrants as part of an integrated transaction governed by Section 351 of the Code. In such case, such U.S. Holder should be required to recognize gain (but not loss), computed on an asset by asset basis with respect to the SPAC Ordinary Shares and SPAC Public Warrants, in an amount equal to the lesser of (i) the amount of gain realized by such U.S. Holder (generally, the excess of (x) the fair market value of the CayCo Warrants or the CayCo Ordinary Shares, as applicable, received by such holder, over (y) such holder's adjusted tax basis in the SPAC Public Warrants and SPAC Ordinary Shares, as applicable, exchanged therefor) and (ii) the appropriate allocation to the SPAC Ordinary Shares or SPAC Public Warrants, as applicable, of the fair market value of the CayCo Warrants treated as having been received by such holder in such exchange. For purposes of determining the appropriate allocation of the fair market value of the CayCo Warrants describe in the preceding clause (ii), the holder allocates the fair market value of the CayCo Warrants between the SPAC Ordinary Shares and the SPAC Public Warrants based on the proportionate fair market values of the SPAC Ordinary Shares and SPAC Public Warrants exchanged in the Merger. It is also possible that a U.S. Holder could be treated as exchanging its SPAC Public Warrants for "new" warrants (i.e., CayCo Warrants) in a taxable transaction that is distinct from the exchange of SPAC Ordinary Shares for CayCo Ordinary Shares pursuant to the Merger. In such case, the U.S. Holder should be required to recognize gain or loss in such deemed exchange in an amount equal to the difference between the fair market value of the CayCo Warrants held by such U.S. Holder immediately following the Merger and the adjusted tax basis of the SPAC Public Warrants held by such U.S. Holder immediately prior to the Merger.

U.S. Holders should consult their own tax advisors as to the particular consequences to them of the exchange of SPAC Securities for CayCo Securities pursuant to the Business Combination, and the qualification of the Merger as a reorganization under Section 368(a) of the Code or as part of an integrated transaction governed by Section 351 of the Code.

3. *If the Merger Does Not Qualify as a Reorganization within the Meaning of Section 368(a) of the Code or as Part of an Integrated Transaction Governed by Section 351 of the Code*

If the Merger fails to qualify as a reorganization under Section 368(a) of the Code or as part of an integrated transaction governed by Section 351 of the Code, a U.S. Holder that exchanges its SPAC Ordinary Shares and SPAC Public Warrants for the consideration under the Business Combination will recognize gain or loss, computed on an asset by asset basis with respect to the SPAC Ordinary Shares and SPAC Public Warrants, equal to the difference between (i) the fair market value of the CayCo Ordinary Shares or CayCo Warrants, as applicable, received and (ii) the

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U.S. Holder's adjusted tax basis in the SPAC Ordinary Shares and SPAC Public Warrants, as applicable, exchanged therefor. A U.S. Holder's tax basis in the CayCo Ordinary Shares and CayCo Warrants received will be the fair market value of those securities on the date the U.S. Holder receives them. The U.S. Holder's holding period for the CayCo Ordinary Shares and CayCo Warrants received pursuant to the Business Combination will begin on the day after the date the U.S. Holder receives such CayCo Ordinary Shares and CayCo Warrants. Such gain or loss will be a capital gain or loss and will be a long-term capital gain or loss if the U.S. Holder's holding period for the SPAC Ordinary Shares and SPAC Public Warrants, as the case may be, exceeds one year at the time of the Business Combination. Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are subject to reduced rates of U.S. federal income taxation. It is unclear, however, whether the redemption rights with respect to the SPAC Ordinary Shares have suspended the applicable holding period for this purpose. The deductibility of capital losses is subject to limitations under the Code. Any such gain or loss recognized by a U.S. Holder will generally be treated as U.S. source gain or loss.

Shareholders who hold different blocks of SPAC Securities (generally, SPAC Securities purchased or acquired on different dates or at different prices) should consult their tax advisors to determine how the above rules apply to them, and the discussion above does not specifically address all of the consequences to U.S. Holders who hold different blocks of SPAC Securities.

4. *Additional Analysis for SPAC Public Warrants*

Notwithstanding the discussion above, the SPAC Public Warrants becoming exercisable for CayCo Ordinary Shares, and the SPAC Public Warrant agreements being assigned to, and assumed by, CayCo, may independently constitute a tax-deferred transaction in which no gain or loss is recognized by the U.S. Holders of SPAC Public Warrants (except as provided below under the subsection entitled "*— 5. PFIC Considerations*") on the basis that the terms of the SPAC Public Warrants are not otherwise being changed pursuant to the Merger and because the terms of the SPAC Public Warrants, when originally issued, contemplated, among other things, the SPAC Public Warrants becoming exercisable into shares of another corporation under circumstances similar to the Merger. However, due to a lack of clear authority, the issue is not free from doubt, and there is a risk that the warrant exchange transaction would be treated as a taxable exchange of SPAC Public Warrants for CayCo Warrants, and no assurance can be given that the IRS would not assert, or that a court would not sustain, such a contrary position.

If the SPAC Public Warrants becoming exercisable for CayCo Ordinary Shares constitutes a tax-deferred transaction, the adjusted tax basis of the CayCo Warrants of such a U.S. Holder immediately after the Merger generally should be the same as the adjusted tax basis of such U.S. Holder's SPAC Public Warrants immediately prior to the Merger. In addition, the holding period of the CayCo Warrants of such a U.S. Holder immediately after the Merger would include the period during which such U.S. Holder held such U.S. Holder's SPAC Public Warrants immediately prior to the Merger.

If the SPAC Public Warrants becoming exercisable for CayCo Ordinary Shares constitutes a taxable exchange of SPAC Public Warrants for CayCo Warrants and the Merger does not qualify as a reorganization under Section 368(a) of the Code but qualifies as part of an integrated transaction governed by Section 351 of the Code, the discussion under the subsection entitled "*— 2. If the Merger Qualifies as a Reorganization within the Meaning of Section 368(a) of the Code or as Part of an Integrated Transaction Governed by Section 351 of the Code*" would apply with respect to the SPAC Public Warrants. If the SPAC Public Warrants becoming exercisable for CayCo Ordinary Shares constitutes a taxable exchange of SPAC Public Warrants for CayCo Warrants and the Merger does not qualify as a reorganization under Section 368(a) of the Code or a part of an Integrated Transaction Governed by Section 351 of the Code, the discussion under the subsection entitled "*— 3. If the Merger Does Not Qualify as a Reorganization within the Meaning of Section 368(a) of the Code or as Part of an Integrated Transaction Governed by Section 351 of the Code,*" would apply with respect to the SPAC Public Warrants.

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5. *PFIC Considerations*

Regardless of whether the Merger qualifies as a reorganization under Section 368(a) of the Code or whether the Merger qualifies as part of an integrated transaction governed by Section 351 of the Code, the Merger could be a taxable event to U.S. Holders under the passive foreign investment company ("PFIC") provisions of the Code if SPAC is considered a PFIC.

a. Definition of a PFIC

A foreign (i.e., non-U.S.) corporation will be classified as a PFIC for U.S. federal income tax purposes if either (i) at least 75% of its gross income in a taxable year, including its pro rata share of the gross income of any corporation in which it is considered to own at least 25% of the shares by value, is passive income or (ii) at least 50% of its assets in a taxable year (generally determined based on fair market value and averaged quarterly over the year), including its pro rata share of the assets of any corporation in which it is considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business received from unrelated persons) and gains from the disposition of passive assets. The determination of whether a foreign corporation is a PFIC is made annually. Pursuant to a “startup exception,” a foreign corporation will not be a PFIC for the first taxable year the foreign corporation has gross income (the “startup year”) if (1) no predecessor of the foreign corporation was a PFIC; (2) the foreign corporation satisfies the IRS that it will not be a PFIC for either of the first two taxable years following the startup year; and (3) the foreign corporation is not in fact a PFIC for either of those years.

b. PFIC Status of SPAC

Based upon the composition of its income and assets, and upon a review of its financial statements, taking into account the structure of the Business Combination, SPAC is not expected to be eligible for the startup exception, and thus SPAC is expected to be a PFIC for the 2022, 2023 and current and future taxable years.

c. Effects of PFIC Rules on the Merger

Even if the Merger qualifies as a reorganization under Section 368(a) of the Code or as part of an integrated transaction governed by Section 351 of the Code, Section 1291(f) of the Code requires that, to the extent provided in Treasury Regulations, a U.S. person who disposes of stock of a PFIC (including for this purpose exchanging warrants of a PFIC for newly issued warrants in connection with a reorganization under Section 368(a) of the Code) recognizes gain notwithstanding any other provision of the Code. No final Treasury Regulations are currently in effect under Section 1291(f) of the Code. However, proposed Treasury Regulations under Section 1291(f) of the Code have been promulgated with a retroactive effective date. If finalized in their current form, those proposed Treasury Regulations would require gain recognition to U.S. Holders of SPAC Securities as a result of the Merger if:

- (i) SPAC were classified as a PFIC at any time during such U.S. Holder’s holding period in such SPAC Securities; and
- (ii) the U.S. Holder had not timely made (a) a QEF Election (as defined below) for the first taxable year in which the U.S. Holder owned such SPAC Ordinary Shares or in which SPAC was a PFIC, whichever is later (or a QEF Election along with a purging election), or (b) an MTM Election (as defined below) with respect to such SPAC Ordinary Shares. Currently, applicable Treasury Regulations provide that neither a QEF Election nor an MTM Election can be made with respect to warrants.

The tax on any such recognized gain would be imposed based on a complex set of computational rules designed to offset the tax deferral with respect to the undistributed earnings of SPAC. Under these rules:

- the U.S. Holder’s gain will be allocated ratably over the U.S. Holder’s holding period for such U.S. Holder’s SPAC Securities;
- the amount of gain allocated to the U.S. Holder’s taxable year in which the U.S. Holder recognized the gain, or to the period in the U.S. Holder’s holding period before the first day of the first taxable year in which SPAC was a PFIC, will be taxed as ordinary income;

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- the amount of gain allocated to other taxable years (or portions thereof) of the U.S. Holder and included in such U.S. Holder’s holding period would be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder without regard to the U.S. Holder’s other items of income and loss for such year; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the U.S. Holder in respect of the tax attributable to each such other taxable year (described in the third bullet above) of such U.S. Holder.

It is unclear at this time whether, in what form and with what effective date, final Treasury Regulations under Section 1291(f) of the Code may be adopted or how any such final Treasury Regulations would apply. Therefore, U.S. Holders of SPAC Ordinary Shares that have not made a timely and effective QEF Election (or a QEF Election along with a purging election) or an MTM Election (each as defined below) may, pursuant to the

proposed Treasury Regulations, be subject to taxation under the PFIC rules on the Merger with respect to their SPAC Securities under the PFIC rules in the manner set forth above. A U.S. Holder that made a timely and effective QEF Election (or a QEF Election along with a purging election) or an MTM Election with respect to its SPAC Ordinary Shares is referred to herein as an “Electing Shareholder” and a U.S. Holder that is not an Electing Shareholder is referred to herein as a “Non-Electing Shareholder.”

The application of the PFIC rules to U.S. Holders of SPAC Public Warrants is unclear. Proposed Treasury Regulations issued under the PFIC rules generally treat an “option” (which would include a SPAC Public Warrant) to acquire the stock of a PFIC as stock of the PFIC, while final Treasury Regulations issued under the PFIC rules provide that the QEF Election does not apply to options and no MTM Election (as defined below) is currently available with respect to options. Therefore, it is possible that the proposed Treasury Regulations if finalized in their current form would apply to cause gain recognition on the exchange of SPAC Public Warrants for CayCo Warrants in connection with the Merger.

Any gain recognized by a Non-Electing Shareholder of SPAC Ordinary Shares or a U.S. Holder of SPAC Public Warrants as a result of the Merger pursuant to PFIC rules would be taxable income to such U.S. Holder, taxed under the PFIC rules in the manner set forth above, with no corresponding receipt of cash.

As noted above, if SPAC is considered a PFIC, the Merger could be a taxable event under the PFIC rules regardless of whether the Merger qualifies as a reorganization under Section 368(a) of the Code or as part of an integrated transaction governed by Section 351 of the Code. If the Merger fails to qualify as a reorganization under Section 368(a) of the Code or as part of an integrated transaction governed by Section 351 of the Code, absent a QEF Election (or a QEF Election along with a purging election) or an MTM Election, a U.S. Holder would be taxed under the PFIC rules in the manner set forth above.

ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE EFFECTS OF THE PFIC RULES ON THE MERGER, INCLUDING THE IMPACT OF ANY PROPOSED OR FINAL TREASURY REGULATIONS.

d. QEF Election and Mark-to-Market Election

The impact of the PFIC rules on a U.S. Holder of SPAC Ordinary Shares will depend on whether the U.S. Holder has made a timely and effective election to treat SPAC as a “qualified electing fund” under Section 1295 of the Code for the taxable year that is the first year in the U.S. Holder’s holding period of SPAC Ordinary Shares during which SPAC qualified as a PFIC (a “**QEF Election**”) or, if in a later taxable year, the U.S. Holder made a QEF Election along with a purging election. A purging election creates a deemed sale of the U.S. Holder’s SPAC Ordinary Shares at their then fair market value and requires the U.S. Holder to recognize gain pursuant to the purging election subject to the special PFIC tax and interest charge rules described above. As a result of any such purging election, the U.S. Holder would increase the adjusted tax basis in its SPAC Ordinary Shares by the amount of the gain recognized and, solely for purposes of the PFIC rules, would have a new holding period in its SPAC Ordinary Shares. U.S. Holders are urged to consult their tax advisors as to the application of the rules governing purging elections to their particular circumstances.

A U.S. Holder’s ability to make a timely and effective QEF Election (or a QEF Election along with a purging election) with respect to SPAC is contingent upon, among other things, the provision by SPAC of a “PFIC Annual Information Statement” to such U.S. Holder. SPAC will endeavor to provide PFIC Annual Information Statements, upon

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written request, to U.S. Holders of SPAC Ordinary Shares with respect to each taxable year for which SPAC determines it is a PFIC. There is no assurance, however, that SPAC will timely provide such information. As discussed further above, a U.S. Holder is not able to make a QEF Election with respect to SPAC Public Warrants under applicable final Treasury Regulations. An Electing Shareholder generally would not be subject to the adverse PFIC rules discussed above with respect to their SPAC Ordinary Shares. As a result, such an Electing Shareholder generally should not recognize income, gain or loss as a result of the Merger, subject to the discussion herein generally under “U.S. Federal Income Tax Consequences of the Business Combination to U.S. Holders,” but rather would include annually in gross income its pro rata share of the ordinary earnings and net capital gain of SPAC, whether or not such amounts are actually distributed.

The impact of the PFIC rules on a U.S. Holder of SPAC Ordinary Shares may also depend on whether the U.S. Holder has made a mark-to-market election under Section 1296 of the Code. U.S. Holders who hold (actually or constructively) stock of a foreign corporation that is classified as a PFIC may annually elect to mark such stock to its market value if such stock is “marketable stock,” generally, stock that is regularly traded on a national securities exchange that is registered with the SEC (an “MTM Election”). No assurance can be given that the SPAC Ordinary Shares are considered to be marketable stock for purposes of the MTM Election or whether

the other requirements of this election are satisfied. If such an election is available and has been made, such U.S. Holders will generally not be subject to the special taxation rules of Section 1291 of the Code discussed herein with respect to their SPAC Ordinary Shares in connection with the Merger. Instead, in general, the U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of its SPAC Ordinary Shares at the end of its taxable year over its adjusted basis in its SPAC Ordinary Shares. The U.S. Holder also will recognize an ordinary loss in respect of the excess, if any, of its adjusted basis in its SPAC Ordinary Shares over the fair market value of its SPAC Ordinary Shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the MTM Election). The U.S. Holder's basis in its SPAC Ordinary Shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of its SPAC Ordinary Shares will be treated as ordinary income. However, if the MTM Election is not made by a U.S. Holder with respect to the first taxable year of its holding period for the PFIC stock, then the Section 1291 rules discussed above will apply to certain dispositions of, distributions on and other amounts taxable with respect to, SPAC Ordinary Shares, including in connection with the Merger. An MTM Election is not available with respect to warrants, including the SPAC Public Warrants.

e. Reporting

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a QEF Election or an MTM Election is made) and such other information as may be required by the U.S. Treasury Department. Failure to do so, if required, will extend the statute of limitations until such required information is furnished to the IRS and may result in significant penalties.

THE RULES DEALING WITH PFICS ARE VERY COMPLEX AND ARE IMPACTED BY VARIOUS FACTORS IN ADDITION TO THOSE DESCRIBED ABOVE. ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE CONSEQUENCES TO THEM OF THE PFIC RULES, INCLUDING, WITHOUT LIMITATION, WHETHER A QEF ELECTION (OR A QEF ELECTION ALONG WITH A PURGING ELECTION), AN MTM ELECTION OR ANY OTHER ELECTION IS AVAILABLE AND WHETHER AND HOW ANY OVERLAP RULES APPLY, AND THE CONSEQUENCES TO THEM OF ANY SUCH ELECTION OR OVERLAP RULE AND THE IMPACT OF ANY PROPOSED OR FINAL PFIC TREASURY REGULATIONS.

Certain U.S. Federal Income Tax Consequences of Exercising Redemption Rights to U.S. Holders

In the event that a U.S. Holder elects to redeem its SPAC Ordinary Shares for cash, the treatment of the transaction for U.S. federal income tax purposes will depend on whether the redemption qualifies as sale or exchange of the SPAC Ordinary Shares under Section 302 of the Code. Except as provided below related to the potential treatment of SPAC as a PFIC, if the redemption qualifies as a sale or exchange of the SPAC Ordinary Shares, the U.S. Holder will be treated as recognizing capital gain or loss equal to the difference between the amount realized on the redemption and such U.S. Holder's adjusted tax basis in the SPAC Ordinary Shares surrendered in such redemption transaction. Any such capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder's holding period for the SPAC Ordinary Shares redeemed exceeds one year. Long-term capital gains recognized by non-corporate U.S. Holders will be eligible to be taxed at reduced rates. It is unclear, however, whether the redemption rights with respect to the SPAC Ordinary Shares have suspended the applicable holding period for this purpose. The deductibility of capital losses is subject to limitations.

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If the redemption does not qualify as a sale or exchange of SPAC Ordinary Shares, the U.S. Holder will be treated as receiving a corporate distribution. Except as provided below related to the potential treatment of SPAC as a PFIC, such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from SPAC's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in the SPAC Ordinary Shares. Any remaining excess will be treated as gain realized on the sale or other disposition of the ordinary shares. Dividends paid to a U.S. Holder that is a taxable corporation generally will qualify for the dividends received deduction if the requisite holding period is satisfied. With certain exceptions (including, but not limited to, dividends treated as investment income for purposes of investment interest deduction limitations) and provided certain holding period requirements are met, dividends paid to a non-corporate U.S. Holder generally will constitute "qualified dividends" that will be subject to tax at the maximum tax rate accorded to long-term capital gains. However, it is unclear whether the redemption rights with respect to the SPAC Ordinary Shares may prevent a U.S. Holder from satisfying the applicable holding period requirements with respect to the dividends received deduction or the preferential tax rate on qualified dividend income, as the case may be.

Whether a redemption qualifies for sale or exchange treatment will depend largely on the total number of

SPAC Ordinary Shares treated as held by the U.S. Holder relative to all of the SPAC Ordinary Shares issued and outstanding both before and after the redemption. The redemption of SPAC Ordinary Shares generally will be treated as a sale or exchange of the SPAC Ordinary Shares (rather than as a corporate distribution) if the redemption (i) is “substantially disproportionate” with respect to the U.S. Holder, (ii) results in a “complete termination” of the U.S. Holder’s interest in SPAC or (iii) is “not essentially equivalent to a dividend” with respect to the U.S. Holder. These tests are explained more fully below.

In determining whether any of the foregoing tests are satisfied, a U.S. Holder takes into account not only SPAC Ordinary Shares actually owned by the U.S. Holder, but also SPAC Ordinary Shares that are constructively owned by it. A U.S. Holder may constructively own, in addition to stock owned directly, stock owned by certain related individuals and entities in which the U.S. Holder has an interest or that have an interest in such U.S. Holder. In order to meet the substantially disproportionate test, the percentage of SPAC’s issued and outstanding voting shares actually and constructively owned by the U.S. Holder immediately following the redemption of the SPAC Ordinary Shares must, among other requirements, be less than 80% of the percentage of SPAC’s issued and outstanding voting shares actually and constructively owned by the U.S. Holder immediately before the redemption. There will be a complete termination of a U.S. Holder’s interest if either (i) all of the shares of the SPAC Ordinary Shares actually and constructively owned by the U.S. Holder are redeemed or (ii) all of the SPAC Ordinary Shares actually owned by the U.S. Holder are redeemed and the U.S. Holder is eligible to waive, and effectively waives in accordance with specific rules, the attribution of stock owned by certain family members and the U.S. Holder does not constructively own any other SPAC Ordinary Shares. The redemption of the SPAC Ordinary Shares will not be essentially equivalent to a dividend if a U.S. Holder’s conversion results in a “meaningful reduction” of the U.S. Holder’s proportionate interest in SPAC. Whether the redemption will result in a meaningful reduction in a U.S. Holder’s proportionate interest in SPAC will depend on the particular facts and circumstances. However, the IRS has indicated in a published ruling that even a small reduction in the proportionate interest of a small minority shareholder in a publicly held corporation who exercises no control over corporate affairs may constitute such a “meaningful reduction.” A U.S. Holder should consult with its own tax advisors as to the tax consequences of a redemption.

If none of the foregoing tests is satisfied, then the redemption will be treated as a corporate distribution. After the application of those rules regarding corporate distributions, any remaining tax basis of the U.S. Holder in the redeemed ordinary shares will be added to the U.S. Holder’s adjusted tax basis in its remaining SPAC Ordinary Shares, or possibly in other SPAC Ordinary Shares constructively owned by it.

However, if a U.S. Holder exercises its redemption rights to receive cash from the Trust Account in exchange for a portion of its SPAC Ordinary Shares or, if such U.S. Holder exercises its redemption right with respect to all of its SPAC Ordinary Shares but maintains its ownership of SPAC Public Warrants, such redemption may be treated as integrated with the Merger rather than as a separate transaction. In such case, if the Merger qualifies as a reorganization under Section 368(a) of the Code, and if the redemption is treated as integrated with the Merger (rather than as a separate transaction), cash received by such U.S. Holder in the redemption may also be treated as taxable boot received in the reorganization under Section 368(a) of the Code (which, depending on the circumstances applicable to such U.S. Holder, may be treated either as (i) capital gain (but not loss) in a manner similar to that described above but not in excess of the amount of cash received or (ii) dividend income to the extent of (although not entirely clear) CayCo’s current and accumulated earnings and profits. If the Merger does not qualify as a reorganization under Section 368(a) of the Code

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but qualifies as part of an integrated transaction governed by Section 351 of the Code, it is possible that such cash, together with CayCo Warrants (if any) received in exchange for SPAC Public Warrants, may be treated as taxable boot received in the transaction governed by Section 351 of the Code, in which case gain (but not loss) may be recognized on the Merger and redemption, computed on an asset by asset basis with respect to the SPAC Ordinary Shares and SPAC Public Warrants, in an amount equal to the lesser of (A) the amount of gain realized by such holder (generally, the excess (if any) of (x) the value) of the CayCo Ordinary Shares received in the Merger and the cash received in the redemption or the value of the CayCo Warrants, as applicable, over (y) such U.S. Holder’s adjusted basis in the SPAC Ordinary Shares or SPAC Public Warrants, as applicable, exchanged therefor pursuant to the Merger and/or the redemption) and (B) the appropriate allocation to the SPAC Ordinary Shares or SPAC Public Warrants, as applicable, of the sum of the amount of cash received in the redemption and the value of the CayCo Warrants received in the Merger). For purposes of determining the appropriate allocation of the fair market value of the CayCo Warrants and the cash received in the redemption describe in the preceding clause (B), the holder allocates the fair market value of the CayCo Warrants and the cash received in the redemption between the SPAC Ordinary Shares and the SPAC Public Warrants based on the proportionate fair market values of the SPAC Ordinary Shares and SPAC Public Warrants exchanged in the Merger.

In addition, if a U.S. Holder that elects to participate in a redemption with respect to all its SPAC Ordinary Shares maintains its ownership of SPAC Public Warrants, such redemption also may be treated as integrated with

the Merger rather than as a separate transaction (with the same taxation effects described in the above paragraph). In such case, even if the Merger were treated as a reorganization under Section 368(a) of the Code, and no gain or loss generally would be recognized upon the deemed exchange of SPAC Public Warrants for CayCo Warrants, cash received by such U.S. Holder in a redemption may also be treated as taxable boot received in the reorganization under Section 368(a) of the Code. Under this possible characterization, such U.S. Holder generally is expected to recognize capital gain (but not loss) on such redemption in an amount equal to the difference between the amount of cash received and such U.S. Holder's adjusted basis in the SPAC Ordinary Shares exchanged therefor.

U.S. Holders of SPAC Ordinary Shares are urged to consult with their own tax advisors regarding the tax consequences of a redemption of all or a portion of their SPAC Ordinary Shares pursuant to an exercise of redemption rights.

PFIC Considerations

As discussed above under the heading “— U.S. Federal Income Tax Consequences of the Business Combination to U.S. Holders — 5. PFIC Considerations,” it is expected that SPAC will be a PFIC for the 2022, 2023 and current and future taxable years.

If SPAC is a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of SPAC Class A Ordinary Shares and, that the U.S. Holder did not make either an applicable PFIC election (or elections), as described above under the heading “— U.S. Federal Income Tax Consequences of the Business Combination to U.S. Holders — 5. PFIC Considerations — d. QEF Election and Mark-to-Market Election,” for the first taxable year of SPAC in which it was treated as a PFIC, and in which the U.S. Holder held (or was deemed to hold) such SPAC Class A Ordinary Shares or otherwise, such U.S. Holder generally will be subject to special and adverse rules with respect to (i) any gain recognized by the U.S. Holder on the sale or other disposition of its SPAC Class A Ordinary Shares (such as gain described above if the redemption qualifies for sale or exchange treatment) and (ii) any “excess distribution” made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the SPAC Class A Ordinary Shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder's holding period for the SPAC Class A Ordinary Shares), including potentially a distribution described above if the redemption does not qualify as a sale or exchange of SPAC Ordinary Shares and the U.S. Holder is treated as receiving a corporate distribution.

Under these rules:

- the U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for such U.S. Holder's SPAC Class A Ordinary Shares;
- the amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of the first taxable year in which SPAC was a PFIC, will be taxed as ordinary income;

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- the amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in such U.S. Holder's holding period would be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder without regard to the U.S. Holder's other items of income and loss for such year; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the U.S. Holder in respect of the tax attributable to each such other taxable year (described in the third bullet above) of such U.S. Holder.

As discussed above, if SPAC is considered a PFIC, the impact of the PFIC rules on a U.S. Holder of SPAC Class A Ordinary Shares will depend on whether the U.S. Holder has made a timely and effective QEF Election for the taxable year that is the first year in the U.S. Holder's holding period of SPAC Class A Ordinary Shares during which SPAC qualified as a PFIC (or, if in a later taxable year, the U.S. Holder made a QEF Election along with a purging election) or if the U.S. Holder has made an MTM Election. See the discussion above under the heading “— U.S. Federal Income Tax Consequences of the Business Combination to U.S. Holders — 5. PFIC Considerations — d. QEF Election and Mark-to-Market Election,” for a description of the consequences to a U.S. Holder of making the foregoing elections, which may mitigate the adverse consequences under the PFIC rules as a result of the redemption of a U.S. Holder's SPAC Class A Ordinary Shares.

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a QEF Election or MTM election is made) and such other

information as may be required by the U.S. Treasury Department. Failure to do so, if required, will extend the statute of limitations until such required information is furnished to the IRS and may result in significant penalties.

THE RULES DEALING WITH PFICS ARE VERY COMPLEX AND ARE IMPACTED BY VARIOUS FACTORS IN ADDITION TO THOSE DESCRIBED ABOVE, INCLUDING THE RULES RELATING TO CONTROLLED FOREIGN CORPORATIONS. ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE CONSEQUENCES TO THEM OF THE PFIC RULES, INCLUDING, WITHOUT LIMITATION, WHETHER A QEF ELECTION (OR A QEF ELECTION ALONG WITH A PURGING ELECTION), AN MTM ELECTION OR ANY OTHER ELECTION IS AVAILABLE AND WHETHER IT WOULD BE DESIRABLE TO MAKE SUCH AN ELECTION.

ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM OF A REDEMPTION OF ALL OR A PORTION OF THEIR SPAC ORDINARY SHARES PURSUANT TO AN EXERCISE OF REDEMPTION RIGHTS.

Ownership and Disposition of CayCo Securities by U.S. Holders

Distributions on CayCo Ordinary Shares

Subject to the discussion below under “— *PFIC Considerations*,” if CayCo makes distributions of cash or property on the CayCo Ordinary Shares, such distributions will be treated for U.S. federal income tax purposes first as a dividend to the extent of CayCo’s current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), and then as a tax-free return of capital to the extent of the U.S. Holder’s tax basis, with any excess treated as capital gain from the sale or exchange of the shares. Since CayCo does not intend to provide calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder generally would be required to treat all such distributions as dividends for U.S. federal income tax purposes. Any dividend generally will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

- Subject to the discussion below under “*PFIC Considerations*,” dividends received by certain non-corporate U.S. Holders (including individuals) may be “qualified dividend income,” which is taxed at the lower applicable capital gains rate, provided that:
- the CayCo Ordinary Shares are readily tradable on an established securities market in the United States;
- CayCo is neither a PFIC (as discussed below under below under “*PFIC Considerations*”) nor treated as such with respect to the U.S. Holder in any taxable year in which the dividend is paid or the preceding taxable year;

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- the U.S. Holder satisfies certain holding period requirements; and
- the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property.

There can be no assurance that CayCo Ordinary Shares will be considered “readily tradable” on an established securities market in the United States in accordance with applicable legal authorities. Furthermore, there can no assurance that CayCo will not be treated as a PFIC in any taxable year. See discussion below under “*PFIC Considerations*.” U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to CayCo Ordinary Shares. Subject to certain exceptions, dividends on CayCo Ordinary Shares will constitute foreign source income for foreign tax credit limitation purposes. If such dividends are qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by a fraction, the numerator of which is the reduced rate applicable to qualified dividend income and the denominator of which is the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by CayCo with respect to the CayCo Ordinary Shares generally will constitute “passive category income” but could, in the case of certain U.S. Holders, constitute “general category income.” The rules relating to the foreign tax credits are complex and U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

Sale, Exchange, Redemption or Other Taxable Disposition of CayCo Securities

Subject to the discussion below under “*PFIC Considerations*,” a U.S. Holder generally would recognize gain or loss on any sale, exchange, redemption or other taxable disposition of CayCo Securities in an amount

equal to the difference between (i) the amount realized on the disposition and (ii) such U.S. Holder's adjusted tax basis in such CayCo Securities, as applicable. Any gain or loss recognized by a U.S. Holder on a taxable disposition of CayCo Securities generally will be capital gain or loss. A non-corporate U.S. Holder, including an individual, who has held the CayCo Securities for more than one year generally will be eligible for reduced tax rates for such long-term capital gains. The deductibility of capital losses is subject to limitations. Any such gain or loss recognized generally will be treated as U.S. source gain or loss. In the event any non-U.S. tax (including withholding tax) is imposed upon such sale or other disposition, a U.S. Holder's ability to claim a foreign tax credit for such non-U.S. tax is subject to various limitations and restrictions. U.S. Holders should consult their tax advisors regarding the ability to claim a foreign tax credit.

Exercise, Lapse or Redemption of CayCo Warrants

Subject to the PFIC rules discussed below under "*PFIC Considerations*" and except as discussed below with respect to the cashless exercise of a CayCo Warrant, a U.S. Holder generally will not recognize taxable gain or loss on the exercise of a CayCo Warrant. The U.S. Holder's tax basis in the CayCo Ordinary Share received upon exercise of a CayCo Warrant generally will be an amount equal to the sum of the U.S. Holder's initial investment in the SPAC Public Warrant in respect of which the exercised CayCo Warrant was received, any gain recognized with respect to the exchange of such SPAC Public Warrant for the CayCo Warrant, and the exercise price of such CayCo Warrant. It is unclear whether the U.S. Holder's holding period for the CayCo Ordinary Shares received upon exercise of the CayCo Warrants will begin on the date following the date of exercise or on the date of exercise of the CayCo Warrants; in either case, the holding period will not include the period during which the U.S. Holder held the CayCo Warrants. If a CayCo Warrant is allowed to lapse unexercised, a U.S. Holder generally will recognize a capital loss equal to such U.S. Holder's tax basis in the CayCo Warrant.

The tax consequences of a cashless exercise of a CayCo Warrant are not clear under current tax law. Subject to the PFIC rules discussed below under "*PFIC Considerations*," a cashless exercise may be tax-free, either because the exercise is not a realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either tax-free situation, a U.S. Holder's basis in the CayCo Ordinary Shares received generally should equal the U.S. Holder's basis in the CayCo Warrants exercised therefor. If the cashless exercise were treated as not being a realization event (and not a recapitalization), it is unclear whether a U.S. Holder's holding period in the CayCo Ordinary Shares would be treated as commencing on the date following the date of exercise or on the date of exercise of the CayCo Warrant; in either case, the holding period would not include the period during which the U.S. Holder held the CayCo Warrants. If the cashless exercise were treated as a recapitalization, the holding period of the CayCo Ordinary Shares would include the holding period of the CayCo Warrants exercised therefor.

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It is also possible that a cashless exercise could be treated in part as a taxable exchange in which gain or loss would be recognized. In such event, a U.S. Holder could be deemed to have surrendered CayCo Warrants with an aggregate fair market value equal to the exercise price for the total number of CayCo Warrants to be exercised. The U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the fair market value of the CayCo Warrants deemed surrendered and the U.S. Holder's adjusted tax basis in such CayCo Warrants. In this case, a U.S. Holder's tax basis in the CayCo Ordinary Shares received would equal the sum of the U.S. Holder's tax basis in the CayCo Warrants exercised and the exercise price of such CayCo Warrants. It is unclear whether a U.S. Holder's holding period for CayCo Ordinary Shares would commence on the date following the date of exercise or on the date of exercise of the CayCo Warrants; in either case, the holding period would not include the period during which the U.S. Holder held the CayCo Warrants. Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise, including when a U.S. Holder's holding period would commence with respect to the CayCo Ordinary Shares received, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, U.S. Holders should consult their tax advisors regarding the tax consequences of a cashless exercise.

If CayCo redeems CayCo Warrants for cash pursuant to the redemption provisions applicable to the CayCo Warrants or if CayCo purchases CayCo Warrants in an open market transaction, such redemption or purchase generally will be treated as a taxable disposition to the U.S. Holder, taxed as described above under "*— Sale, Exchange, Redemption or Other Taxable Disposition of CayCo Securities.*"

Possible Constructive Distributions

The terms of each CayCo Warrant (which will have, and be subject to, substantially the same terms and conditions as were applicable to such SPAC Public Warrant immediately prior to the consummation of the Business Combination) provide for an adjustment to the number of CayCo Ordinary Shares for which the CayCo Warrant may be exercised or to the exercise price of the CayCo Warrant in certain events, as discussed in the

section of this Registration Statement/Proxy Statement entitled “*Description of Securities — Securities of Chenghe prior to the Business Combination — Warrants — Public Warrants — Anti-Dilution Adjustments*” and “*Description of Securities — Securities of CayCo — Warrants.*” An adjustment that has the effect of preventing dilution generally is not taxable. The U.S. Holders of the CayCo Warrants would, however, be treated as receiving a constructive distribution from CayCo if, for example, the adjustment to the number of such CayCo Ordinary Shares received upon exercise of the CayCo Warrants or to the exercise price of the CayCo Warrants increases the proportionate interest of the U.S. Holder of CayCo Warrants in CayCo’s assets or earnings and profits (e.g., through an increase in the number of CayCo Ordinary Shares that would be obtained upon exercise or through a decrease in the exercise price of a CayCo Warrant) as a result of a distribution (or a transaction treated as a distribution) of cash or other property, such as other securities, to the holders of CayCo Ordinary Shares, which is taxable to the holders of such shares as a distribution. Such constructive distribution would be subject to tax as described under that section in the same manner as if the U.S. Holders of the CayCo Warrants received a cash distribution from CayCo equal to the fair market value of such increased interest.

PFIC Considerations

The treatment of U.S. Holders of the CayCo Securities could be materially different from that described above, if CayCo is treated as a PFIC for U.S. federal income tax purposes (for a general discussion of the PFIC rules, see above under the heading “— *U.S. Federal Income Tax Consequences of the Business Combination to U.S. Holders — 5. PFIC Considerations — a. Definition of a PFIC*”).

As of the date hereof, CayCo has not made a determination as to its PFIC status for its current taxable year or any other taxable year. Whether CayCo is a PFIC is determined on an annual basis. The determination of whether CayCo is a PFIC is a factual determination that depends on, among other things, the composition of CayCo’s income and assets, and the market value of its shares and assets, including the composition of income and assets and the market value of shares and assets of certain subsidiaries (including FST and SPAC), from time to time, and thus the determination can only be made annually after the close of each taxable year. Thus, no assurance can be given as to whether CayCo will be a PFIC in its current taxable year or for any future taxable year. In addition, none of SPAC’s or CayCo’s respective U.S. counsel expresses any opinion with respect to CayCo’s PFIC status for any taxable year.

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Under the PFIC rules, if CayCo were considered a PFIC at any time that a U.S. Holder owns CayCo Securities, CayCo would continue to be treated as a PFIC with respect to such investment unless (i) it ceased to be a PFIC and (ii) the U.S. Holder made a “deemed sale” election under the PFIC rules. If such election is made, a U.S. Holder will be deemed to have sold its CayCo Ordinary Shares at their fair market value on the last day of the last taxable year in which CayCo is classified as a PFIC, and any gain from such deemed sale would be subject to the consequences described below. After the deemed sale election, the CayCo Ordinary Shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless CayCo subsequently becomes a PFIC.

For each taxable year that CayCo is treated as a PFIC with respect to a U.S. Holder’s CayCo Ordinary Shares, the U.S. Holder will be subject to special tax rules, as described above under the heading “— *Certain U.S. Federal Income Tax Consequences of Exercising Redemption Rights to U. S. Holders — PFIC Considerations.*”

It is not entirely clear how various aspects of the PFIC rules apply to the CayCo Warrants. If a U.S. Holder sells or otherwise disposes of CayCo Warrants (other than upon exercise of such warrants) and CayCo were a PFIC at any time during the U.S. Holder’s holding period of such CayCo Warrants, any gain recognized generally will be treated as an excess distribution, taxed as described under the heading “— *Certain U.S. Federal Income Tax Consequences of Exercising Redemption Rights to U. S. Holders — PFIC Considerations.*” The rules relating to “excess distributions” discussed above, will continue to apply with respect to CayCo Ordinary Shares resulting from the exercise of CayCo Warrants if CayCo were a PFIC during a U.S. Holder’s holding period (which, while not entirely clear, generally will be deemed to have a holding period for purposes of the PFIC rules that includes the period the U.S. Holder held the CayCo Warrant), unless the U.S. Holder makes a purging election under the PFIC rules. U.S. Holders are urged to consult their tax advisors as to the application of the rules governing purging elections to their particular circumstances.

Certain of the PFIC rules may impact U.S. Holders with respect to equity interests in subsidiaries and other entities which CayCo may hold, directly or indirectly, that are PFICs (collectively, “Lower-Tier PFICs”). There can be no assurance, however, that CayCo does not own, or will not in the future acquire, an interest in a subsidiary or other entity that is or would be treated as a Lower-Tier PFIC. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to any of CayCo’s subsidiaries.

If CayCo is a PFIC, a U.S. Holder of CayCo Ordinary Shares may avoid taxation under the Excess

Distribution Rules described above by making a QEF Election. However, a U.S. Holder may make a QEF Election with respect to its CayCo Ordinary Shares only if CayCo provides U.S. Holders on an annual basis with certain financial information specified under applicable U.S. Treasury Regulations. Because CayCo currently does not intend to provide U.S. Holders with such information on an annual basis, U.S. Holders generally would not be able to make a QEF Election with respect to the CayCo Ordinary Shares.

A U.S. Holder of CayCo Ordinary Shares may also avoid taxation under the Excess Distribution Rules by making an MTM Election. The application of the PFIC rules to U.S. Holders of CayCo Warrants is unclear. Proposed Treasury Regulations issued under the PFIC rules generally treat an “option” (which would include a CayCo Warrant) to acquire the stock of a PFIC as stock of the PFIC, while final Treasury Regulations issued under the PFIC rules provide that the QEF Election does not apply to options and no MTM Election is currently available with respect to options.

A U.S. Holder that owns (or is deemed to own) shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a QEF Election or MTM Election is made) and such other information as may be required by the U.S. Treasury Department. Failure to do so, if required, will extend the statute of limitations until such required information is furnished to the IRS and may result in significant penalties.

THE RULES DEALING WITH PFICS ARE VERY COMPLEX AND ARE IMPACTED BY VARIOUS FACTORS IN ADDITION TO THOSE DESCRIBED ABOVE, INCLUDING THE RULES RELATING TO CONTROLLED FOREIGN CORPORATIONS. ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE CONSEQUENCES TO THEM OF THE PFIC RULES, INCLUDING, WITHOUT LIMITATION, WHETHER A QEF ELECTION (OR A QEF ELECTION ALONG WITH A PURGING ELECTION), AN MTM ELECTION OR ANY OTHER ELECTION IS AVAILABLE AND WHETHER IT WOULD BE DESIRABLE TO MAKE SUCH AN ELECTION.

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Information Reporting and Backup Withholding

In general, information reporting requirements will apply to dividends received by U.S. Holders on CayCo Securities (including constructive dividends), and the proceeds received on the sale or other taxable disposition of CayCo Securities effected within the United States (and, in certain cases, outside the United States), in each case, other than U.S. Holders that are exempt recipients (such as corporations). Information reporting requirements will also apply to redemptions from U.S. Holders of SPAC Securities. Backup withholding (currently at a rate of 24%) may apply to such amounts if the U.S. Holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent or the U.S. Holder’s broker) or is otherwise subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a holder’s U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

THE PRECEDING DISCUSSION OF CERTAIN MATERIAL U.S. FEDERAL TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY. IT IS NOT TAX ADVICE TO HOLDERS OF SPAC SECURITIES OR CAYCO SECURITIES. EACH SUCH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE AND LOCAL, AND NON-U.S. TAX CONSIDERATIONS OF PURCHASING, HOLDING, AND DISPOSING OF SPAC SECURITIES OR CAYCO SECURITIES, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAW.

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MATERIAL TAIWAN INCOME TAX CONSIDERATIONS

The following is a general summary of the principal Taiwan tax consequences of the ownership and disposition of CayCo Ordinary Shares immediately following the Business Combination by and to a non-resident individual or non-resident entity holder (referred to herein as a “**Non-Taiwan Holder**”). As used in the preceding sentence, a “non-resident individual” is generally a foreign national who owns CayCo Ordinary Shares and is not physically present in Taiwan for 183 days or more during any calendar year, and a “non-resident entity” is a corporation or a non-corporate body that owns CayCo Ordinary Shares and is organized under the laws of a jurisdiction other than Taiwan.

Holders should consult their tax advisors concerning the Taiwan tax consequences of holding CayCo

Ordinary Shares and the laws of any relevant taxing jurisdiction to which they are subject.

Capital gains from the sale or disposal of CayCo Ordinary Shares

Sale or disposal of the ordinary shares of a Cayman Islands company is generally not regarded as the sale of Taiwan securities; thus, any gains generated therefrom by Non-Taiwan Holders are not subject to Taiwan income tax.

Securities Transaction Tax

Sale of the ordinary shares of a Cayman Islands company by Non-Taiwan Holders is generally not subject to Taiwan securities transaction tax.

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UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL INFORMATION

Introduction

The following unaudited pro forma condensed combined consolidated financial information presents the combination of the financial information of FST and SPAC adjusted to give effect to the Business Combination and related transactions. It is provided to aid you in your analysis of the financial aspects of the transactions. Defined terms included below have the same meaning as terms defined and included elsewhere in this Registration Statement/Proxy Statement.

The following unaudited pro forma condensed combined consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X.

The historical financial information of FST was derived from the audited consolidated financial statements of FST as at and for the year ended December 31, 2023. The historical financial information of SPAC was derived from the audited financial statements of SPAC as at and for the year ended December 31, 2023. Such audited financial statements are included elsewhere in this Registration Statement/Proxy Statement. This information should be read together with FST's and SPAC's financial statements and related notes as of December 31, 2023, the sections entitled "*SPAC Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Company Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information included elsewhere in this Registration Statement/Proxy Statement.

The unaudited pro forma condensed combined consolidated balance sheet is presented as of December 31, 2023, and the unaudited pro forma condensed combined consolidated statements of operations is presented for the year ended December 31, 2023. The unaudited pro forma condensed combined consolidated balance sheet as of December 31, 2023, gives pro forma effect to the Transactions as if they had been consummated as of December 31, 2023, the beginning of the earliest period presented. The unaudited pro forma condensed combined consolidated statements of operations for the year ended December 31, 2023, gives pro forma effect to the Transactions as if they had occurred as of January 1, 2023, the beginning of the earliest period presented.

Description of the Transactions

On December 22, 2023, SPAC, entered into a Business Combination Agreement with CayCo, Merger Sub and FST, pursuant to which, Merger Sub shall be merged with and into SPAC with SPAC being the surviving company and as a direct, wholly owned subsidiary of CayCo, and SPAC will change its name to "FST CORP".

Pursuant to the Business Combination Agreement, at the Merger Effective Time, (i) each outstanding SPAC Unit, consisting of one (1) SPAC Class A Ordinary Share and one-half (1/2) of one (1) SPAC Warrant, will be automatically separated and the holder thereof will be deemed to hold one (1) SPAC Class A Ordinary Share and one-half (1/2) of one (1) SPAC Warrant; (ii) each SPAC Class B Ordinary Share that is issued and outstanding immediately prior to the Merger Effective Time shall be automatically converted into one (1) SPAC Class A Ordinary Share and each SPAC Class B Ordinary Shares shall no longer be issued and outstanding and shall automatically be cancelled and cease to exist; (iii) each SPAC Class A Ordinary Share (which for the avoidance of doubt, includes the SPAC Class A Ordinary Shares (A) issued in connection with the SPAC Class B Conversion; and (B) held as a result of Unit Separation) shall be converted into the right to receive one (1) CayCo Ordinary Share; and (iv) each SPAC Warrant that is outstanding and unexercised shall be automatically converted into the right to receive a CayCo Warrant, which shall be on the same terms and conditions as the applicable SPAC Warrant. At the Closing, in accordance with the Companies Act (as revised) of the Cayman Islands, Merger Sub will merge with and into SPAC, the separate corporate existence of Merger Sub will cease and SPAC will be

the surviving corporation and a wholly-owned subsidiary of CayCo.

Under the Business Combination Agreement, the base equity value of FST is \$400,000,000 and will be paid entirely in shares, comprised of newly issued ordinary shares of the CayCo, with each share valued at the Per Share Price.

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Accounting for the Transactions

The Transactions will be accounted for as a reverse merger in accordance with GAAP. Under this method of accounting, SPAC will be treated as the “acquired” company for financial reporting purposes. This determination was primarily based on FST shareholders expecting to have a majority of the voting power of the combined company, FST comprising the ongoing operations of the combined entity, FST comprising a majority of the governing body of the combined company, and FST’s senior management comprising the senior management of the combined company. Accordingly, for accounting purposes, the Transactions will be treated as the equivalent of FST issuing share for the net assets of SPAC, accompanied by a recapitalization. The net assets of SPAC will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Transactions will be those of FST.

Basis of Pro Forma Presentation

The following unaudited pro forma condensed combined consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses.” Release No. 33-10786 requires pro forma adjustments that depict the accounting for the transaction (“Transaction Accounting Adjustments”) and allows optional pro forma adjustments that present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur (“Management’s Adjustments”).

The unaudited pro forma condensed combined consolidated financial information has been presented for illustrative purposes only and do not necessarily reflect what the combined company’s financial condition or results of operations would have been had the Business Combination had occurred on the dates indicated. Further, the unaudited pro forma condensed combined consolidated financial information also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The unaudited pro forma Transaction Accounting Adjustments represent management’s estimates based on information available as of the date of this unaudited pro forma condensed combined consolidated financial information and are subject to change as additional information becomes available and analyses are performed.

The unaudited pro forma condensed combined consolidated statement of balance sheet as of December 31, 2023 have been prepared using, and should be read in conjunction with, the following:

- SPAC’s audited balance sheet as of December 31, 2023 and the related notes for the year ended December 31, 2023, included elsewhere in this Registration Statement/Proxy Statement; and
- FST’s audited consolidated balance sheet as of December 31, 2023 and the related notes for the year ended December 31, 2023, included elsewhere in this Registration Statement/Proxy Statement.

The unaudited pro forma condensed combined consolidated statement of operations for the year ended December 31, 2023 have been prepared using, and should be read in conjunction with, the following:

- SPAC’s audited statement of operations for the year ended December 31, 2023 and the related notes, included elsewhere in this Registration Statement/Proxy Statement; and
- FST’s audited consolidated statement of operations for the year ended December 31, 2023 and the related notes, included elsewhere in this Registration Statement/Proxy Statement.

The unaudited pro forma condensed combined consolidated financial information is for illustrative purposes only. The financial results may have been different had the companies always been combined. You should not rely on the unaudited pro forma condensed combined consolidated financial information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience. FST and SPAC have not had any historical relationship prior to the Transactions. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

There is no historical activity with respect to CayCo and Merger Sub accordingly, no adjustments were required with respect to these entities in the pro forma combined financial statements.

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The unaudited pro forma condensed combined consolidated financial information has been prepared assuming three alternative levels of redemption into cash of SPAC's ordinary shares:

- **Scenario 1 — No Redemption Scenario:** This scenario assumes that there are no SPAC Shareholders exercise redemption rights with respect to their SPAC Public Shares in connection with the Business Combination;
- **Scenario 2 — Intermediate Redemption Scenario:** This scenario assumes that SPAC Shareholders holding 1,970,937 SPAC Public Shares, representing 50% of 3,941,873 SPAC Public Shares remaining outstanding after the Extension Meeting, will exercise redemption rights in connection with the Business Combination; and
- **Scenario 3 — Maximum Redemption Scenario:** This scenario assumes that SPAC Shareholders holding 3,056,030 SPAC Public Shares will exercise their redemption rights in connection with the Business Combination, resulting in SPAC maintaining \$5,000,001 of net tangible assets at Closing of the Business Combination.

	Assuming No Redemptions		Assuming Intermediate (50%) Redemptions⁽¹⁾		Assuming Maximum (77.6%) Redemptions⁽²⁾	
	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %	Number of Shares	Share Ownership %
FST Shareholders	40,000,000	64.94%	40,000,000	67.09%	40,000,000	68.34%
Public Shareholders	3,941,873	6.40%	1,970,936	3.31%	885,843	1.51%
Converted SPAC Public Shares held by the New SPAC Sponsor ⁽³⁾	1,058,127	1.72%	1,058,127	1.77%	1,058,127	1.81%
Holders of Founder Shares ⁽⁴⁾	2,191,873	3.56%	2,191,873	3.68%	2,191,873	3.74%
Holders of SPAC Public Warrants ⁽⁵⁾	6,500,000	10.55%	6,500,000	10.90%	6,500,000	11.10%
Holders of SPAC Private Warrants ⁽⁴⁾⁽⁶⁾	7,900,000	12.83%	7,900,000	13.25%	7,900,000	13.50%
Pro forma ordinary shares of the Post-Closing Company	61,591,873	100 %	59,620,936	100 %	58,535,843	100 %

- (1) Assumes that 1,970,937 Public Shares are redeemed for aggregate redemption payments of approximately \$21.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023.
- (2) Assumes that 3,056,030 Public Shares are redeemed for aggregate redemption payments of approximately \$33.80 million, assuming a \$11.06 per share redemption price and based on funds in the Trust Account as of December 31, 2023. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have U.S.\$5,000,001 net asset at the Closing as required by the Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes. Assuming a \$11.06 per share redemption price, the number of Public Shares remaining outstanding following the redemption must be at least 885,843 shares for SPAC to fulfill all of the abovementioned assumptions.
- (3) On November 8, 2023, the New SPAC Sponsor notified Chenghe that it elected to convert 1,058,127 Founder Shares to the same number of SPAC Public Shares. On November 16, 2023, 1,058,127 Founder Shares were converted into the same number of Converted SPAC Public Shares. The Converted SPAC Public Shares are identical to the SPAC Public Shares, except that (i) they are entitled to registration rights, (ii) they are subject to the transfer restrictions as set forth in the SPAC IPO Letter Agreement, (iii) pursuant to the SPAC IPO Letter Agreement, the Sponsors agreed to waive their redemption rights with respect to the Converted SPAC Public Shares in connection with (A) the SPAC's initial business combination, (B) a shareholder vote to approve an amendment to the SPAC's constitutional documents to (x) modify the substance or timing of the SPAC's obligation to allow redemption in connection with the SPAC's initial business combination, or to redeem 100% of SPAC Public Shares if SPAC has not completed an initial business combination by the Extended Deadline or (y) with respect to any other material provisions relating to

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- (4) The Sponsors and their affiliates' total potential ownership interest in the post-Closing Company, assuming the exercise and conversion of all securities following the Closing, including the SPAC Private Placement Warrants, the Converted SPAC Public Shares as described above, and Founder Shares, is estimated to comprise approximately 18.10% of outstanding CayCo Ordinary Shares in a no redemption scenario, 18.70% of outstanding CayCo Ordinary Shares in an intermediate redemption scenario and 19.01% of outstanding CayCo Ordinary Shares in a maximum redemption scenario.
- (5) Assumes the exercise of all issued and outstanding SPAC Public Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination.
- (6) Assumes the exercise of all issued and outstanding SPAC Private Placement Warrants, each for one CayCo Ordinary Share, at the closing of the Business Combination. As of the date of this Registration Statement/Proxy Statement, the Sponsors have not extended any working capital loan to Chenghe, which may be convertible into warrants at the option of the Sponsors. None of Chenghe, its directors and officers is aware of any intention to obtain any working capital loan which may be convertible into warrants from the Sponsors.

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UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2023

(US\$ in thousands, except for share and per share data, or otherwise noted)

[illegible]

Other non-current assets	—	593	—		593	—	593	—	593
Total non-current assets	43,606	32,267	(43,606)		32,267	—	32,267	—	32,267
TOTAL ASSETS	43,609	63,309	(7,410)		99,508	(21,803)	77,705	(12,003)	65,702
LIABILITIES									
Current liabilities:									
Short-term borrowings	—	14,236	—		14,236	—	14,236	—	14,236
Accounts payable	—	1,216	—		1,216	—	1,216	—	1,216
Lease liabilities	—	2,172	—		2,172	—	2,172	—	2,172
Amounts due to related parties	—	275	—		275	—	275	—	275
Income taxes payable	—	302	—		302	—	302	—	302
Promissory Note – Related Party	404	—	(404)	(5)	—	—	—	—	—
Accrued expenses and other current liabilities	1,717	3,163	(1,717)	(5)	3,163	—	3,163	—	3,163
Total current liabilities	2,121	21,364	(2,121)		21,364	—	21,364	—	21,364
Non-current liabilities:									
Long-term bank loan	—	8,598	—		8,598	—	8,598	—	8,598
Lease liabilities	—	5,255	—		5,255	—	5,255	—	5,255
Deferred tax liabilities	—	663	—		663	—	663	—	663
Warrant liabilities	144	—	—		144	—	144	—	144
Other non-current liabilities	—	5	—		5	—	5	—	5
Total non-current liabilities	144	14,521	—		14,665	—	14,665	—	14,665
TOTAL LIABILITIES	2,265	35,885	(2,121)		36,029	—	36,029	—	36,029
Commitments and contingencies									
Class A ordinary shares subject to possible redemption, \$0.0001 par value, 5,600,483 number of shares at redemption value of \$11.06 as of December 31, 2023	43,606	—	(43,606)	(3)	—	—	—	—	—

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**UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2023 — (Continued)**

(US\$ in thousands, except for share and per share data, or otherwise noted)

Scenario 1 Assuming No Redemptions into Cash		Scenario 2 Assuming Intermediate (50%) Redemptions into Cash		Scenario 3 Assuming Maximum (77.6%) Redemptions into Cash	
Transaction Accounting	Pro Forma Balance	Additional Transaction Accounting	Pro Forma Balance	Additional Transaction Accounting	Pro Forma Balance

	SPAC	FST	Adjustments		Sheet	Adjustments		Sheet	Adjustments		Sheet
EQUITY											
Ordinary shares	—	17,951	(17,946)	(4)	5	—		5	—		5
Class A Ordinary Shares	—	—	—		—	—		—	—		—
Class B Ordinary Shares	—	—	—	(4)	—	—		—	—		—
Additional paid-in capital	1,960	4,443	43,606	(3)	61,749	(21,803)	(3)	39,946	(12,003)	(3)	27,943
	—	—	(1,985)	(2)	—	—		—	—		—
	—	—	13,725	(4)	—	—		—	—		—
Statutory reserve	—	3,154	—		3,154	—		3,154	—		3,154
Accumulated deficit/retained earning	(4,222)	3,088	4,222	(4)	(217)	—		(217)	—		(217)
	—	—	(767)	(2)	—	—		—	—		—
	—	—	(2,538)	(5)	—	—		—	—		—
Accumulated other comprehensive loss	—	(1,212)	—		(1,212)	—		(1,212)			(1,212)
TOTAL EQUITY	(2,262)	27,424	38,317		63,479	(21,803)		41,676	(12,003)		29,673
TOTAL LIABILITIES AND EQUITY	43,609	63,309	(7,410)		99,508	(21,803)		77,705	(12,003)		65,702

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Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet Adjustments

The Transaction Accounting Adjustments to the unaudited condensed combined consolidated pro forma balance sheet consists of the following:

- (1) Reflects the release of cash from marketable securities held in the Trust Account.
- (2) Reflects an adjustment of \$2.15 million to reduce cash and \$0.60 million to reduce deferred offering costs for transaction costs expected to be incurred by FST in relation to the Business Combination, including advisory, printing, legal and accounting services. \$0.77 million audit fee incurred by FST was expensed and recorded in accumulated deficit, and the remaining \$1.98 million incurred by FST was determined to be deferred offering costs and offset to additional-paid-in capital.
- (3) In Scenario 1, which assumes no further SPAC Shareholders, collectively holding 3,941,873 shares, exercises their redemption rights in connection with the Business Combination. As of December 31, 2023, there was approximately \$43.61 million in the Trust Account. Taking into account nil to be paid out in cash as redemption proceeds at the Closing of the Business Combination, all SPAC Public Shares previously subject to redemption for cash amounting to \$43.61 million would be transferred to shareholders' equity.

In Scenario 2, which reflects the redemption of nil share in connection with the Business Combination as reflected in Scenario 1 above, and additionally assumes that SPAC Shareholders holding 1,970,937 SPAC Class A Ordinary Shares, representing 50% of 3,941,873 SPAC Class A Ordinary Shares remaining outstanding on the date of this Registration Statement/Proxy Statement, will exercise redemption rights at an assumed share price of US\$11.06 in connection with the Business Combination. Under Scenario 2, an amount of \$21.80 million in the trust account will need to be paid out in cash as redemption proceeds at the closing of the Business Combination, as compared with Scenario 1.

In Scenario 3, which reflects the redemption of 1,970,937 SPAC Class A Ordinary Shares in connection with the Business Combination, as reflected in Scenario 2 above, and additionally assumes that SPAC Shareholders holding 1,086,567 SPAC Class A Ordinary Shares will exercise their redemption rights at an assumed share price of US\$11.06 in connection with the Business Combination. Under Scenario 3, an additional amount of \$12.00 million in the trust account would need to be paid out in cash as redemption proceeds at the closing of the Business Combination. Taking into account the \$21.80 million paid out in connection with redemption under Scenario 2 above, a total of \$33.81 million in the trust account will need to be paid out in cash as redemption

proceeds. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have US\$5,000,001 net asset at the Closing as required by the SPAC Articles and Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes. Assuming a \$11.06 per share redemption price, the number of Public Shares remaining outstanding following the redemption must be at least, 885,843 shares for SPAC to fulfill all of the abovementioned assumptions under Scenario 3.

- (4) Reflects 1) recapitalization of FST through issuance of SPAC shares and eliminate SPAC historical accumulated earnings; and 2) the contribution of all the share capital in FST to SPAC.
- (5) Reflects prepaid and accrued expenses of SPAC would be settled due upon completion of the business combination.

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**UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	SPAC	FST	Scenario 1 Assuming No Redemptions into Cash		Scenario 2 Assuming Intermediate (50%) Redemptions into Cash		Scenario 3 Assuming Maximum (77.6%) Redemptions into Cash	
			Transaction Accounting Adjustments	Pro Forma Income Statement	Transaction Accounting Adjustments	Pro Forma Income Statement	Transaction Accounting Adjustments	Pro Forma Income Statement
Total revenues	\$ —	\$ 28,731	\$ —	\$ 28,731	—	\$ 28,731	\$ —	\$ 28,731
Cost of revenue	—	(15,288)	—	(15,288)	—	(15,288)	—	(15,288)
Gross profit	—	13,443	—	13,443	—	13,443	—	13,443
Operating expenses								
Selling expenses	—	9,194	—	9,194	—	9,194	—	9,194
Administrative expenses	2,144	5,279	3,305 (1)	10,728	—	10,728	—	10,728
Research and development expenses	—	1,530	—	1,530	—	1,530	—	1,530
Total operating expenses	2,144	16,003	3,305	21,452	—	21,452	—	21,452
Net operating loss	(2,144)	(2,560)	(3,305)	(8,009)	—	(8,009)	—	(8,009)
Non-operating income and expenses								
Interest expenses	—	(15)	—	(15)	—	(15)	—	(15)
Foreign exchange gain	—	44	—	44	—	44	—	44
Other income	187	638	(187) (3)	638	—	638	—	638
Impairment loss on long-term investment	—	(466)	—	(466)	—	(466)	—	(466)
Gain on change in fair value of warrants	1,584	—	—	1,584	—	1,584	—	1,584
Expense recognized on transferring of 2,650,000								

SPAC Class B Ordinary Shares from Old SPAC Sponsor to New SPAC Sponsor	(2,852)		2,852	(4)	—	—	—		
Interest earned on investments held in Trust Account	3,651	—	(3,651)	(2)	—	—	—	—	—
Total non-operating income and expenses	2,570	201	(986)		1,785	—	1,785	—	1,785
Profit (loss) from operations before tax	426	(2,359)	(4,291)		(6,224)	—	(6,224)	—	(6,224)
Tax benefit	—	(123)	—		(123)	—	(123)	—	(123)
Profit (loss)	426	(2,236)	(4,291)		(6,101)	—	(6,101)	—	(6,101)
Weighted average shares outstanding of ordinary shares	—	46,207	—		47,192	—	45,221	—	44,136
Weighted average shares outstanding of redeemable ordinary shares	7,520	—	—		—	—	—	—	—
Basic and diluted net loss per ordinary share	0.04	(0.05)	—		(0.13)	—	(0.13)	—	(0.14)
Weighted average shares outstanding of non-redeemable ordinary shares	3,250	—	—		—	—	—	—	—
Basic and diluted net loss per Non-redeemable ordinary shares	0.04	—	—		—	—	—	—	—

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Adjustments to Unaudited Pro Forma Condensed Combined Consolidated Statement of Operations

The Transaction Accounting Adjustments to the unaudited condensed combined consolidated pro forma statements of operations consist of the following:

- (1) Reflects the estimated transaction costs of \$3.31 million as if incurred on January 1, 2023, the date the Business Combination occurred for the purposes of the unaudited pro forma condensed combined consolidated statement of operations. This is a non-recurring item.
- (2) Represents an adjustment to eliminate interest earned on investments held in Trust Account.
- (3) Represents an adjustment to eliminate other income attributable to the reduction of deferred underwriting fee. This is a non-recurring item.
- (4) Represents an adjustment to unrealized loss on transfer of securities. SPAC has a benefit in the form of the right to receive additional extension contributions from the New Sponsor. The right to receive the additional extension contributions required the New Sponsor to provide or cause to provide consideration in the form of a transfer of Class B ordinary shares of the Company. SPAC recorded an expense of \$2,851,750 on transfer of securities with a corresponding increase to additional paid-in capital. This is a non-recurring item.

Shares calculation

The following presents the calculation of basic and diluted weighted average shares outstanding assuming three alternative levels of conversion for the year ended December 31, 2023:

	Scenario 1 Combined (Assuming No Redemptions Into Cash)	Scenario 2 Combined (Assuming Intermediate (50%) Redemptions Into Cash)	Scenario 3 Combined (Assuming Maximum (77.6%) Redemptions Into Cash)
Weighted average shares calculation, basic and diluted			
SPAC public shares ⁽¹⁾	3,941,873	1,970,936	885,843
Converted SPAC Public Shares ⁽²⁾	1,058,127	1,058,127	1,058,127
SPAC shares held by Founders and Sponsor ⁽²⁾	2,191,873	2,191,873	2,191,873
Shares issued to FST shareholders in Business Combination	40,000,000	40,000,000	40,000,000
Weighted average shares outstanding	<u>47,191,873</u>	<u>45,220,936</u>	<u>44,135,843</u>
Percent of shares owned by existing public holders of SPAC share	8.4%	4.4%	2.0%
Percent of shares owned by SPAC Founder and Sponsor	6.9%	7.2%	7.4%
Percent of shares owned by existing holders of FST share	84.7%	88.4%	90.6%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) As of December 31, 2023, there were 3,941,873 SPAC Public Shares issued and outstanding.

(2) As of December 31, 2023, there were 3,250,000 Founder Shares issued and outstanding. On November 8, 2023, the New SPAC Sponsor elected to convert 1,058,127 Founder Shares to 1,058,127 Converted SPAC Public Shares. On November 16, 2023, 1,058,127 Founder Shares were converted into the same number of Converted SPAC Public Shares.

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Net loss per share

The unaudited pro forma condensed combined consolidated basic and diluted earnings per share calculations are based on the sum of the historical SPAC weighted average number of redeemable shares outstanding of 3,941,873, converted SPAC public shares of 1,058,127 and non-redeemable shares outstanding of 2,191,873 under all three scenarios for the year ended December 31, 2023 adjusted by (a) approximately 40,000,000 consideration shares estimated, derived from the shares outstanding and weighted average shares outstanding as presented in the pro forma condensed combined consolidated financial statements (after rounding adjustment), to be issued in connection with the Business Combination; and (b) redemption of nil share under no redemption scenario, 1,970,937 share under intermediate redemption scenario and 3,056,030 shares under maximum redemption scenario.

For the purposes of calculating the weighted average number of shares of Company ordinary shares outstanding, the effects of outstanding warrants and exchangeable units to purchase ordinary shares and employee share option plans were not considered in the calculation of diluted loss per share, since the inclusion of such warrants and options would be anti-dilutive.

	Adjustment for Merger Assuming No Redemptions	Adjustment for Merger Assuming Intermediate (50%) Redemptions	Adjustment for Merger Assuming Maximum (77.6%) Redemptions
Weighted average shares of redeemable ordinary share	3,941,873	3,941,873	3,941,873
Weighted average outstanding converted SPAC Public Shares	1,058,127	1,058,127	1,058,127
Weighted average outstanding shares of non-redeemable			

shares	2,191,873	2,191,873	2,191,873
Add: Closing merger consideration payable in shares	40,000,000	40,000,000	40,000,000
Less: shares assumed to be redeemed	(0)	(1,970,936)	(3,056,030)
Weight average shares	<u>47,191,873</u>	<u>45,220,937</u>	<u>44,135,843</u>

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BUSINESS OF CAYCO AND MERGER SUB BEFORE THE BUSINESS COMBINATION

Business of CayCo Before the Business Combination

As of the date of this Registration Statement/Proxy Statement, CayCo has not conducted any material activities other than those incidental to its formation and to the matters contemplated by the Business Combination Agreement, such as the preparation of this Registration Statement/Proxy Statement. Upon the terms and subject to the conditions of the Business Combination Agreement, SPAC, CayCo, the Merger Sub, and the Company will effect a series of the transactions, as a result of which CayCo will become of the parent of the Company and SPAC. After the Business Combination, CayCo intends to continue the business of the Company. For information about CayCo's management, share ownership and corporate governance following the Business Combination, please see the section entitled "*Management of CayCo After the Business Combination*" elsewhere in this Registration Statement/Proxy Statement.

Formation

CayCo is a Cayman Islands exempted company with limited liability that will become the holding company of the Company following the consummation of the Business Combination.

Articles

CayCo's current articles of association include provisions customary for a shell company created for the purpose of effecting a business combination. Upon consummation of the Business Combination, the CayCo Listing Articles will be substantially in the form set forth in Annex B to this Registration Statement/Proxy Statement. Please see the section entitled "*Description of Securities — Securities of CayCo*" elsewhere in this Registration Statement/Proxy Statement for additional information.

Financial Year

CayCo's fiscal year ends on December 31 of each year.

Subsidiaries

CayCo is the parent company of the Merger Sub.

Shareholders

Ming-Chen Chen is the sole shareholder at CayCo, holding 1 ordinary share. She is the wife of the current Chairman of FST, David Chuang.

Board of Directors

David Chuang is the sole director of CayCo.

Executive Officers, Officers and Employees

CayCo does not currently have any executive officer, officer or any other employee.

Business of Merger Sub Before the Business Combination

Merger Sub is a Cayman Islands exempted company with limited liability and a direct, wholly-owned subsidiary of CayCo. Upon the terms and subject to the conditions of the Business Combination Agreement, SPAC, CayCo, Merger Sub and the Company will effect a series of transactions, as a result of which Merger Sub will merge into SPAC, the separate corporate existence of Merger Sub will cease and SPAC will be the surviving entity and a wholly owned subsidiary of CayCo.

Merger Sub is a Cayman Islands exempted company solely incorporated for the limited purposes of effecting the transactions contemplated by the Business Combination Agreement. It has no employees,

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BUSINESS OF SPAC AND CERTAIN INFORMATION ABOUT SPAC

Overview

SPAC is a blank check company incorporated on May 20, 2021 as a Cayman Islands exempted company with limited liability for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. Prior to entering into the Business Combination Agreement, its acquisition strategy was to search globally for targets that have created a critical mass in their own market and are looking for the right partner with whom to expand across borders. Based on SPAC's business activities, SPAC is a "shell company" as defined under the Exchange Act because it has no operations and nominal assets consisting solely of cash and/or cash equivalents.

Initial Public Offering and Concurrent Private Placement

On January 27, 2022, SPAC consummated SPAC IPO of 13,000,000 SPAC Units, at an offering price of \$10.00 per SPAC Unit, generating gross proceeds of \$130,000,000. Each SPAC Unit consists of one SPAC Class A Ordinary Share and one-half of one redeemable SPAC Public Warrant. Each whole SPAC Public Warrant entitles its holder to purchase one SPAC Class A Ordinary Share at an exercise price of \$11.50 per share, subject to adjustment. BofA Securities, Inc. and Banco BTG Pactual S.A. served as underwriters of the SPAC IPO. The securities sold in the SPAC IPO were registered under the Securities Act on a registration statement on Form S-1 (File No. 333-261361) (as amended). The SEC declared the registration statement effective on January 24, 2022.

Concurrently with the closing of the SPAC IPO, SPAC consummated a private placement to its Old SPAC Sponsor of 7,900,000 SPAC Private Placement Warrants, each exercisable to purchase one SPAC Class A Ordinary Share at \$11.50 per share, at a price of \$1.00 per warrant, in a private placement generating gross proceeds of \$7,900,000.

Following the closing of the SPAC IPO and the private placement, \$132,600,000 was placed in the Trust Account, comprised of the proceeds from the SPAC IPO and the sale of SPAC Private Placement Warrants (including \$4,550,000 of the underwriters' deferred discount). SPAC IPO transaction costs amounted to \$7,647,620, consisting of \$2,600,000 of underwriting discount, \$4,550,000 of deferred underwriting discount, and \$497,620 of other costs and expenses related to the SPAC IPO. In addition, \$2,494,203 of cash was held outside of the Trust Account and was available for working capital purposes at the consummation of the SPAC IPO.

SPAC may withdraw from the Trust Account interest earned on the funds held therein necessary to pay its income taxes, if any. Except as described in the prospectus for the SPAC IPO and described in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," these proceeds will not be released until the earlier of the completion of an initial business combination (including the Business Combination) and the redemption of 100% of the issued and outstanding SPAC Class A Ordinary Share upon its failure to consummate a business combination within the required time period.

The remaining proceeds from the SPAC IPO and concurrent private placement, net of underwriting discounts and commissions and other costs and expenses, held outside the Trust Account became available to be used as working capital to provide for business, legal and accounting due diligence on prospective business combinations and continuing general and administrative expenses.

Business Combination Marketing Agreement

On February 9, 2023, SPAC entered into a business combination marketing agreement (the "EBC BCMA") with EarlyBirdCapital, Inc. ("EBC") for EBC's assistance in connection with a potential business combination with a cash fee equal to \$2,000,000 contingent upon closing of the business combination. If a proposed business combination is not consummated for any reason, no fee is due unless SPAC receives a termination payment established in the definitive written agreement with the target company in the business combination, in which case, EBC will be entitled to 1/3 of the termination payment up to a maximum of \$1,000,000. As prescribed by the BCMA, in SPAC's own discretion, it may engage EBC as non-exclusive placement agent for SPAC, on a "best efforts" basis, in connection with a private placement of shares of common stock and/or convertible debt or preferred stock, the structuring of a collateralized equity transaction, or the arrangement of an equity line of credit of SPAC in connection with the business combination, for a placement agent's fee of (for equity and equity equivalents) 3.5% and (for debt and convertible securities) 2.0% of the capital raised by investors contracts by EBC, payable at the closing of the business combination.

On October 2, 2023, the Old SPAC Sponsor entered into a letter agreement with EBC (the “EBC Letter Agreement”), under which, the Old SPAC Sponsor agreed to (i) transfer, at no consideration, to EBC 25,000 SPAC Class B Ordinary Shares held by the Old SPAC Sponsor at the closing of the business combination. If the Old SPAC Sponsor is required to forfeit SPAC Class B Ordinary Shares to SPAC that it’s retaining pursuant to the Sponsor Sale SPA so that the total number of SPAC Class B Ordinary Shares becomes less than 500,000, EBC will forfeit a pro rata number of SPAC Class B Ordinary Shares with the Old SPAC Sponsor’s reduction below 500,000 such that the SPAC Class B Ordinary Shares held by EBC will then represent 5% of the total SPAC Class B Ordinary Shares held by the Old SPAC Sponsor and EBC; (ii) transfer to EBC an aggregate of 26.7% of any consideration it receives as a result of certain “tail” arrangement it has with a third party as a result of a proposed transaction; and (iii) pay to EBC an aggregate of \$5,000 to reimburse EBC for expenses incurred by it for the services rendered to SPAC and the Old SPAC Sponsor.

On October 2, 2023, in connection with the Sponsor Sale, EBC issued a waiver letter (“EBC Waiver Letter”) to SPAC, pursuant to which, the EBC BCMA is terminated. Under the EBC Waiver Letter, SPAC agreed that such SPAC Class B Ordinary Shares to be transferred by the Old SPAC Sponsor to EBC under the EBC Letter Agreement will have the same registration rights as the other Class B ordinary shares held by the Old SPAC Sponsor.

Extension

On April 13, 2023, SPAC held the First Extension Meeting, at which SPAC Shareholders approved (1) the proposal to amend SPAC MAA to extend the date by which SPAC must (i) consummate an initial business combination, (ii) cease its operations except for the purpose of winding up if it fails to consummate a business combination, and (iii) redeem all of the Public Shares, from April 27, 2023 to November 27, 2023; (2) the proposal to amend the Trust Agreement to allow SPAC to extend, on a month to month basis, the date on which the Trustee must liquidate the Trust Account if SOAC has not completed its initial business combination, from April 27, 2023 to up to November 27, 2023 by depositing into the Trust Account the lesser of \$150,000 or \$0.0375 per Public Share that remains outstanding and is not redeemed in connection with the First Extension Amendment Proposal per calendar month commencing on April 27, 2023; (3) the proposal to amend SPAC MAA to provide for the right of a holder of the SPAC Class B Ordinary Share to convert into SPAC Class A Ordinary Share on a one-for-one basis prior to the closing of an initial business combination at the election of the holder; and (4) the proposal to amend SPAC MAA to remove the limitation that SPAC shall not redeem Public Shares to the extent that such redemption would cause SPAC’s net tangible assets to be less than \$5,000,001.

In connection with the First Extension Amendment Proposal, shareholders holding 7,399,517 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$77.5 million (approximately \$10.47 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$58.6 million remained in the Trust Account.

On October 25, 2023, SPAC held the Second Extension Meeting, at which SPAC Shareholders approved (1) the proposal to amend the SPAC MAA to extend the SPAC Termination Date from October 27, 2023 to January 27, 2024 for a deposit of the lesser of \$240,000 and \$0.06 for each Public Share not redeemed immediately after the Second Extension Meeting; and to allow SPAC, without the need for any further approval of the shareholders, by resolutions of the SPAC Board, to further extend the SPAC Termination Date for up to 9 times, each time by one month, from January 27, 2024 up to October 27, 2024, for a deposit of the lesser of \$80,000 and \$0.02 for each Public Share not redeemed immediately after the Second Extension Meeting for each month extended; (2) the proposal to amend the Trust Agreement to reflect the Second Extension, and to allow SPAC to maintain any remaining amount of in its Trust Account in an interest bearing demand deposit account at a bank; and (3) the proposal to change SPAC’s name from LatAmGrowth SPAC to Chenghe Acquisition I Co.

In connection with the Second Extension Amendment Proposal, shareholders holding 1,658,610 SPAC Class A Ordinary Shares elected to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, approximately \$18.1 million (approximately \$10.94 per SPAC Class A Ordinary Share) was released from the Trust Account to pay such holders and approximately \$43.0 million remained in the Trust Account.

On November 6, 2023, pursuant to the Trust Agreement (as amended on October 25, 2023), SPAC instructed Continental Stock Transfer & Trust Company to hold all funds in the Trust Account in an interest-bearing bank deposit account.

On November 8, 2023, the New SPAC Sponsor notified the SPAC that it elected to convert 1,058,127 SPAC Class B Ordinary Shares held by itself to the same number of SPAC Class A Ordinary Shares, pursuant to

the SPAC Class B Ordinary Share Amendment Proposal. On November 16, 2023, 1,058,127 SPAC Class B Ordinary Shares held by the New SPAC Sponsor were converted into the same number of SPAC Class A Ordinary Shares. As of the date hereof, there are 5,000,000 SPAC Class A Ordinary Shares and 2,191,873 SPAC Class B Ordinary Shares issued and outstanding.

Delist of SPAC Public Warrants

On June 15, 2023, SPAC received a written notice from the Listing Qualifications Department (the “Staff”) of the Nasdaq Stock Market LLC (“Nasdaq”) indicating that since SPAC’s aggregate market value of its outstanding warrants was less than \$1,000,000, SPAC was no longer in compliance with the Nasdaq Global Market continued listing criteria set forth in the Nasdaq Listing Rule 5452(b)(C) (the “Rule”), which requires SPAC to maintain an aggregate market value of its outstanding warrants of at least \$1,000,000 (the “Notice”). SPAC has been given 45 calendar days from the date of the Notice to submit a plan to regain compliance with the Rule. SPAC did not submit such plan. On August 16, 2023, the Staff notified SPAC that Nasdaq determined to commence proceedings to delist SPAC Public Warrants, and listed to trade on Nasdaq under the symbol “LATGW”, from Nasdaq and that trading in SPAC Public Warrants would be suspended at the opening of business on August 25, 2023, due to SPAC’s failure to maintain a minimum of \$1,000,000 in aggregate market value of its outstanding warrants for continued listing under Nasdaq Listing Rule 5452(b)(C). SPAC did not appeal the Staff’s delisting determination. As a result, a Form 25 was filed by Nasdaq on September 8, 2023 with the SEC to remove SPAC Public Warrants from listing and registration on Nasdaq.

Waivers of Deferred Underwriting Commission

On September 8, 2023, BofA Securities, Inc., and on September 19, 2023, Banco BTG Pactual S.A.-Cayman Branch each notified SPAC that they would not act in any capacity in connection with the Business Combination and waived their entitlement to the deferred underwriting commission solely with respect to the Business Combination under and pursuant to the SPAC IPO Underwriting Agreement, dated January 24, 2022, by and among SPAC and BofA Securities, Inc. and Banco BTG Pactual S.A.-Cayman Branch, acting individually and as representatives of the several underwriters named therein.

Sponsor Sale

On September 29, 2023, SPAC, the Old SPAC Sponsor and the New SPAC Sponsor entered into a securities purchase agreement for the Sponsor Sale, pursuant to which, the New SPAC Sponsor acquired an aggregate of (i) 2,650,000 SPAC Class B Ordinary Shares and (ii) 7,900,000 SPAC Private Placement Warrants held by the Old SPAC Sponsor for an aggregate purchase price of \$1.00 plus the New SPAC Sponsor’s agreement to deposit into the Trust Account (a) on the closing of the Sponsor Sale, \$450,000 for due and payable extension contribution payment incurred prior to the date of the Sponsor Sale SPA and (b) on any other applicable due date, other extension payments that may become due after the Sponsor Sale, and in accordance with the Trust Agreement. On October 6, 2023, the Sponsor Sale was consummated, following which, the Old SPAC Sponsor owns 600,000 SPAC Class B Ordinary Shares and no SPAC Private Placement Warrant.

Upon the consummation of the Sponsor Sale, SPAC’s previous directors, officers and advisors resigned from their positions, and Shibin Wang, Ning Ma, Kwan Sun and James Zhang were appointed as directors of SPAC and Zhiyang Zhou was appointed chief executive officer and chief financial officer of SPAC.

Fair Market Value of Target Business

The target business or businesses that SPAC acquires must collectively have a fair market value equal to at least 80% of the balance of the funds in the Trust Account (excluding the amount of deferred underwriting commissions held in trust and taxes payable on the income earned on the Trust Account) at the time of the execution of a definitive agreement for initial business combination. SPAC Board determined that this test was met in connection with the proposed Business Combination as described in the subsection entitled “*SPAC Shareholder Proposal No. 1 — The Business Combination Proposal — Satisfaction of 80% Test.*”

Shareholder Approval of the Business Combination

Pursuant to SPAC MAA, SPAC is required to provide SPAC Public Shareholders with an opportunity to have their SPAC Class A Ordinary Shares redeemed for cash upon the consummation of SPAC’s initial business combination, either in conjunction with a shareholder vote or tender offer. Due to the structure of the Business Combination, SPAC is providing this opportunity in conjunction with a shareholder vote. Accordingly, in connection with the Business Combination, the SPAC Public Shareholders may seek to have their SPAC Class A Ordinary Shares redeemed for cash in accordance with the procedures set forth in the subsection entitled

Pursuant to the SPAC IPO Letter Agreement, the Sponsors and their respective affiliates agreed to vote any ordinary shares owned by them in favor of an initial business combination of SPAC.

Redemption of SPAC Class A Ordinary Shares and Liquidation If No Initial Business Combination

SPAC MAA provide that SPAC shall complete its initial business combination by the SPAC Termination Date. If SPAC is unable to complete its initial business combination by the SPAC Termination Date, it will (i) cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible but not more than ten (10) Business Days thereafter, redeem the SPAC Class A Ordinary Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then-issued and outstanding SPAC Class A Ordinary Shares, which redemption will completely extinguish shareholders of SPAC Class A Ordinary Shares’ rights as shareholders (including the right to receive further liquidation distributions, if any); and (iii) as promptly as reasonably possible following such redemption, subject to the approval of SPAC’s remaining shareholders and SPAC Board, liquidate and dissolve, subject in each case to its obligations under Cayman Islands law to provide for claims of creditors and other requirements of applicable law. There will be no redemption rights or liquidating distributions with respect to SPAC Warrants, which will expire worthless if SPAC fails to complete its initial business combination by the SPAC Termination Date.

Pursuant to the SPAC IPO Letter Agreement, each of the Sponsors and their respective affiliates has waived their respective rights to liquidating distributions from the Trust Account with respect to any SPAC Class B Ordinary Share and Converted SPAC Public Share held by them if SPAC fails to complete its initial business combination by the SPAC Termination Date. However, if they acquire SPAC Class A Ordinary Shares through public market in or after the SPAC IPO, they will be entitled to liquidating distributions from the Trust Account with respect to such SPAC Class A Ordinary Shares if SPAC fails to complete its initial business combination by the SPAC Termination Date. They also agreed that they will not propose any amendment to SPAC MAA (A) to modify the substance or timing of SPAC’s obligation to allow redemption in connection with its initial business combination or to redeem 100% of the SPAC Class A Ordinary Shares if SPAC does not complete its initial business combination within the required time period set forth in the SPAC MAA or (B) with respect to any other material provisions relating to shareholders’ rights or pre-initial business combination activity, unless SPAC provides the SPAC Public Shareholders with an opportunity to redeem their SPAC Class A Ordinary Shares upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to SPAC to pay its taxes, divided by the number of then issued and outstanding SPAC Class A Ordinary Shares.

SPAC expects that all costs and expenses associated with implementing its plan of dissolution, as well as payments to any creditors, will be funded from cash held outside the Trust Account, although SPAC cannot assure you that there will be sufficient funds for such purpose. However, if those funds are not sufficient to cover the costs and expenses associated with implementing its plan of dissolution, to the extent that there is any interest accrued in the Trust Account not required to pay income taxes on interest income earned on the Trust Account balance, SPAC may request the trustee to release to it an additional amount of up to \$100,000 of such accrued interest to pay those costs and expenses.

On April 13, 2023, SPAC issued a non-interest bearing non-convertible unsecured promissory note to the Old SPAC Sponsor for a principal amount of up to \$1,050,000 to fund the contributions to the Trust Account in connection with the First Extension Amendment and the First Trust Amendment. The promissory note was terminated on October 4, 2023 and all amounts outstanding thereunder were forgiven without any further liability of SPAC or the Old SPAC Sponsor.

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On October 25, 2023, SPAC issued the October 2023 Note to the New SPAC Sponsor, for a principal amount of up to \$1,960,000. The initial principal balance outstanding under the October 2023 Note is \$480,600, of which \$450,000 represents drawdown to pay Contributions and \$30,600 represents working capital, as of October 25, 2023. SPAC may further draw down up to \$960,000 to pay the Contributions and up to \$519,400 for general corporate purposes. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. As of the date hereof, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note. On each of October 30, 2023 and November 29, 2023, SPAC deposited \$80,000 as Contribution into the Trust Account. On January 3, 2024, February 2, 2024 and March 4, 2024, FST deposited \$76,512.38, \$78,837 and \$78,837, respectively, into the Trust Account, pursuant to the Business Combination Agreement, which provides that FST

shall bear all of the fees and costs relating to the extension of SPAC Termination Date not exceeding \$80,000 per month.

If SPAC were to expend all of the net proceeds of the SPAC IPO and the sale of the SPAC Private Placement Warrants, other than the proceeds deposited in the Trust Account, and without taking into account interest, if any, earned on the Trust Account, the per-share redemption amount received by shareholders of SPAC Class A Ordinary Shares upon its dissolution would be approximately \$10.20. The proceeds deposited in the Trust Account could, however, become subject to the claims of SPAC's creditors which would have higher priority than the claims of its shareholders of SPAC Class A Ordinary Shares. SPAC cannot assure you that the actual per-share redemption amount received by shareholders of SPAC Class A Ordinary Shares will not be substantially less than \$10.20. While SPAC intends to pay such amounts, if any, it cannot assure you that it will have funds sufficient to pay or provide for all creditors' claims.

Although SPAC will seek to have all vendors, service providers, prospective target businesses and other entities with which it does business execute agreements with it waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account for the benefit of the SPAC Public Shareholders, there is no guarantee that they will execute such agreements or even if they execute such agreements that they would be prevented from bringing claims against the Trust Account, including but not limited to, fraudulent inducement, breach of fiduciary duties or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain an advantage with respect to a claim against SPAC's assets, including the funds held in the Trust Account. If any third party refuses to execute an agreement waiving such claims to the monies held in the Trust Account, SPAC's management will consider whether competitive alternatives are reasonably available to it and will only enter into an agreement with such third party if management believes that such third party's engagement would be in the best interests of SPAC under the circumstances. Examples of possible instances where SPAC may engage a third party that refuses to execute a waiver include the engagement of a third-party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. On September 8, 2023 and September 19, 2023, BofA Securities, Inc. and Banco BTG Pactual S.A.- Cayman Branch waived their deferred underwriting commission solely with respect to the Business Combination, respectively. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with SPAC and will not seek recourse against the Trust Account for any reason. In order to protect the amounts held in the Trust Account, the Sponsors have agreed that they will be liable to SPAC if and to the extent any claims by a third party for services rendered or products sold to SPAC, or a prospective target business with which SPAC have entered into a written letter of intent, confidentiality or other similar agreement or Business Combination Agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) \$10.20 per SPAC Class A Ordinary Share and (ii) the actual amount per SPAC Class A Ordinary Share held in the Trust Account as of the date of the liquidation of the Trust Account if less than \$10.20 per SPAC Class A Ordinary Share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) nor will it apply to any claims under its indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act. However, SPAC has not asked its Sponsors to reserve for such indemnification obligations, nor has SPAC independently verified whether its Sponsors have sufficient funds to satisfy their indemnity obligations and SPAC believes that its Sponsors' only assets are securities of SPAC. Therefore, SPAC cannot assure you that its Sponsors would be able to satisfy those obligations. As a result, if any such claims were successfully made against the Trust Account, the funds available for the initial business combination and redemptions could be reduced to less than \$10.20 per SPAC Class A Ordinary Share. In such event, SPAC may not be able to complete its initial business combination, and you would receive such lesser amount per share in connection with any redemption of your SPAC Class A Ordinary Shares. None of SPAC's officers or directors will indemnify SPAC for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

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In the event that the proceeds in the Trust Account are reduced below the lesser of (i) \$10.20 per SPAC Class A Ordinary Share and (ii) the actual amount per SPAC Class A Ordinary Share held in the Trust Account as of the date of the liquidation of the Trust Account if less than \$10.20 per SPAC Class A Ordinary Share due to reductions in the value of the trust assets, in each case less taxes payable, and the Sponsors assert that they are unable to satisfy their indemnification obligations or that they have no indemnification obligations related to a particular claim, SPAC's independent directors would determine whether to take legal action against the Sponsors to enforce their indemnification obligations. While SPAC currently expects that its independent directors would take legal action on its behalf against its Sponsors to enforce the indemnification obligations to SPAC, it is possible that SPAC's independent directors in exercising their business judgment may choose not to do so in any particular instance if, for example, the cost of such legal action is deemed by the independent directors to be too

high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. Accordingly, SPAC cannot assure you that due to claims of creditors the actual value of the per-share redemption price will not be less than \$10.20 per SPAC Class A Ordinary Share.

SPAC will seek to reduce the possibility that its Sponsors will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target businesses or other entities with which SPAC does business execute agreements with it waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account. The Sponsors will also not be liable as to any claims under SPAC's indemnity of the underwriters of the SPAC IPO against certain liabilities, including liabilities under the Securities Act. SPAC will have access to cash held outside the Trust Account to pay any such potential claims (including costs and expenses incurred in connection with its liquidation, currently estimated to be no more than approximately \$100,000). In the event that SPAC liquidates and it is subsequently determined that the reserve for claims and liabilities is insufficient, shareholders who received funds from its Trust Account could be liable for claims made by creditors.

If SPAC files a bankruptcy or insolvency petition or an involuntary winding-up petition or insolvency petition is filed against it that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in its bankruptcy estate and subject to the claims of third parties with priority over the claims of its shareholders. To the extent any bankruptcy claims deplete the Trust Account, SPAC cannot assure you it will be able to return \$10.20 per SPAC Class A Ordinary Share to its shareholders of SPAC Class A Ordinary Shares. Additionally, if SPAC files a bankruptcy petition or an involuntary bankruptcy petition is filed against it that is not dismissed, any distributions received by shareholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy or insolvency court could seek to recover some or all amounts received by SPAC's shareholders. Furthermore, SPAC Board may be viewed as having breached its fiduciary duty to SPAC's creditors and/or may have acted in bad faith, and thereby exposing itself and SPAC to claims of punitive damages, by paying shareholders of SPAC Class A Ordinary Shares from the Trust Account prior to addressing the claims of creditors. SPAC cannot assure you that claims will not be brought against it for these reasons.

SPAC Public Shareholders will be entitled to receive funds from the Trust Account only (i) in the event of the redemption of SPAC Class A Ordinary Shares if SPAC does not complete its initial business combination by the SPAC Termination Date, (ii) in connection with a shareholder vote to amend SPAC MAA (a) to modify the substance or timing of SPAC's obligation to allow redemption in connection with its initial business combination or to redeem 100% of its SPAC Class A Ordinary Shares if SPAC does not complete its initial business combination by the SPAC Termination Date or (b) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity or (iii) if they redeem their respective shares for cash upon the completion of SPAC's initial business combination. In no other circumstances will a shareholder have any right or interest of any kind to or in the Trust Account. In the event SPAC seeks shareholder approval in connection with its initial business combination, a shareholder's voting in connection with the business combination alone will not result in a shareholder's redeeming its shares to SPAC for an applicable pro rata share of the Trust Account. Such shareholder must have also exercised its redemption rights described above. These provisions of SPAC MAA may be amended with a shareholder vote.

Facilities

SPAC currently maintain its executive offices at 38 Beach Road #29-11, South Beach Tower Singapore 189767. SPAC considers such office space adequate for its current operations. SPAC considers its current office space adequate for its current operations.

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Employees

Zhiyang Zhou is the chief executive officer and chief financial officer of SPAC. Ms. Zhou is not obligated to devote any specific number of hours to SPAC's matters but she intends to devote as much of her time as she deems necessary to SPAC's affairs until SPAC have completed its initial business combination. The amount of time she will devote in any time period will vary based on whether a target business has been selected and the stage of the business combination process SPAC is in. SPAC does not intend to have any full time employees prior to the completion of its initial business combination.

Directors and Executive Officers

As of the date of this Registration Statement/Proxy Statement, SPAC's directors and officers are as follows:

Dr. Shibin Wang, aged 46, chairman of the SPAC Board, has over 15 years' experience in sales and trading of structured financial products, cross-border financing and other capital market activities. Over such

period, his clients or counterparts have included major banks (China Development Bank, Industrial and Commercial Bank of China, Agriculture Bank of China and China Construction Bank), leading organizations (China National Offshore Oil Corporation and GCL-Poly Energy) and leading private equity firms (Hillhouse Capital and Greenwoods Asset Management). Dr. Wang was an executive director and head of China structure solutions at Deutsche Bank Hong Kong from 2010 to 2015. Prior to that, he worked at FICC Goldman Sachs from 2008 to 2010 and at China Development Bank managing a fixed-income portfolio from 2003 to 2008. Dr. Wang also served as the chief executive officer and director of Chenghe Acquisition Co. (NASDAQ: CHEA), a NASDAQ-listed blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

Since April 2019, Dr. Wang has served as a co-founder and the chief executive officer of Hong Kong Digital Asset Ex Ltd. (or “HKbitEX”), a regulated digital asset exchange in Hong Kong dedicated to providing a regulatory-compliant and safe digital asset spot trading and over-the-counter trading services to professional investors in Asia. Under Dr. Wang’s leadership, the company was among the first organizations in Asia-Pacific to apply for a virtual asset trading platform licence from the Securities and Futures Commission in Hong Kong, and was recognized as one of China’s top 50 fintech companies in the “2020 KPMG China Fintech 50.”

In 2018, Dr. Wang advised the Intelligent Investment Chain Foundation on funding and ecosystem development. The Intelligent Investment Chain Foundation is a decentralized virtual asset management application developed based on Ethereum smart contracts with an ecology including quantitative funds, cross-chain wealth management wallets and media.

Dr. Wang’s served Oriental Patron Financial Group as chief marketing officer from 2016 to 2018, during which he led the company’s blockchain initiatives and fintech investments. Under Dr. Wang’s leadership, Oriental Patron made investments in DIDI Chuxing and CarbonX, organized a number of forums with leading institutions as well as established the Renminbi-denominated Fintech/Internet Plus fund, with Renminbi 3 billion of assets under management, in collaboration with Magnetic Capital in Shanghai.

Dr. Wang is shareholder of SECUSOFT Tech, Jiedaibao and ZhongYou International Education. Dr. Wang obtained a bachelor’s degree in international trading from Dongbei University of Finance & Economics, as well as a master of economics degree and a PhD, both from the Finance Institute of the People’s Bank of China.

Ning Ma, aged 50, is an independent director of SPAC. In 2015, Mr. Ma founded Lingfeng Capital Partners, Limited (“Lingfeng”), a private equity firm focusing on investing in fintech companies in Asia, in sub-sectors such as artificial intelligence, blockchain, cloud, big data, lending technology, insurance technology, health care services, investment technology, payment and credit rating, and digital assets. Mr. Ma has served as a partner at Lingfeng since 2015. Mr. Ma was also an independent director of Chenghe Acquisition Co. (NASDAQ: CHEA), a NASDAQ-listed blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

Prior to founding Lingfeng, Mr. Ma worked at Goldman Sachs (Asia) L.L.C. (“Goldman Sachs”) for thirteen years from 2002 to 2015 where, among other roles, he served as co-head of the Asia Pacific Financial Institutions Equity Research. He was also a member of the Goldman Sachs China Operating Committee and a member of the Asia Pacific Client and Business Standards Committee. He held various positions with Beijing Gao Hua Securities Company

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Limited and served as the deputy general manager and managing director from 2010 to 2015. Prior to Goldman Sachs, Mr. Ma was a regulator at the headquarters of the People’s Bank of China from 1996 to 2000, where he was actively involved in the regulation, financial reform and policy-making relating to foreign banks and non-bank financial institutions including trust companies, asset management companies, finance companies and leasing companies in China.

Mr. Ma currently serves as an independent director for several financial institutions in Asia including Ant Consumer Finance Company and BOCOM International. He has been teaching at Tsinghua University PBC School of Finance since 2010. Mr. Ma received a bachelor’s degree from Renmin University of China, a master’s degree in business administration from London Business School and a master’s degree in international finance from Tsinghua University PBC School of Finance.

Kwan Sun, aged 59, is an independent director of SPAC. Mr. Sun founded Millburn Advisory LLC, a real estate fund manager, in 2018 and has served as its managing partner since then. From 2015 to 2018, Mr. Sun served as the vice chairman of Nan Fung Group’s U.S. businesses to help develop Nan Fung Group’s U.S. real estate business. Mr. Sun was also an independent director of Chenghe Acquisition Co. (NASDAQ: CHEA), a NASDAQ-listed blank check company formed for the purpose of effecting a merger, share exchange, asset

acquisition, share purchase, reorganization or similar business combination with one or more businesses.

Mr. Sun served as a director at Deutsche Bank in structured products department from 1997 to 2003, and as a director at Morgan Stanley in structured products department from 2003 to 2007. Thereafter, Mr. Sun served as a managing director at Deutsche Bank in structured products department from 2007 to 2009 and as a managing director at Morgan Stanley in the investment banking department from 2009 to 2014.

Prior to joining Deutsche Bank in 1997, he served as a vice president the capital markets department of Merrill Lynch, where he focused on trading fix income derivatives. He joined Merrill Lynch in 1992. Mr. Sun graduated with a bachelor's degree from Ohio State University.

Dr. James Zhang, aged 58, an independent director of the Company, has significant experience in entrepreneurship and venture capital in both the U.S. and greater China. Since August 2021, Dr. Zhang has been the chief investment officer, technologies and venture capital of Great Eagle Holdings Limited (HKSE: 00041), a multinational corporation with rich experiences in technology investment, property development, and hotel and property management. Dr. Zhang has been an Adjunct Associate Professor of Finance since August 2019 and an Associate Professor of Science Practice since February 2022 at Hong Kong University of Science and Technology, where he teaches venture capital and entrepreneurship. Dr. Zhang has also been an advisor of Venture University since 2020, where he cofounded the Asian Office based in Hong Kong. Dr. Zhang also serves as co-founder and director of WaterCare Technologies Limited, director of Base Therapeutics Group Holding Limited, and director of Great Eagle Venture Capital (HK) Limited.

Dr. Zhang was a venture partner of the GRC Fund from 2015 to 2021, co-founder, chief executive officer and director of Modular Bioscience Inc. from 2018 to 2021, founding partner of Formation 8 (currently named 8VC) from 2012 to 2016, venture partner of Softbank China Venture Capital from 2010 to 2012, and entrepreneur in residence at Khosla Ventures from 2009 to 2010. Prior to becoming a venture capitalist, Dr. Zhang was an entrepreneur in Silicon Valley for over ten years, and co-founder of several startup companies.

Dr. Zhang received his PhD in Genetics from the University of California, Davis, and has completed post-doctoral and business trainings from Stanford University and Stanford Graduate School of Business, respectively.

Zhiyang Zhou, aged 36, our chief executive officer and chief financial officer, has considerable experience in equity research and finance. Ms. Zhou focused on equity research since beginning her career in 2011 and specialized in the China and U.S. Technology, Media, and Telecom ("TMT") sector including smartphones, digital consumer products, internet services and emerging platform economies. She has been working on in-depth research and rigorous valuation studies in various sectors. She was a senior associate at Mighty Divine Investment Management Limited from 2019 to 2021, the research associate of the long-only portfolio of China Great Wall AMC (International) Holdings Company Limited from 2017 to 2019 and the QDII fund of Anbang Asset Management (Hong Kong) Co. Limited from 2016 to 2017. She also spent two years in BOCOM International as a data analyst in its market strategy team from 2014 to 2016, publishing weekly notes on China's commodity sector. Ms. Zhou has been involved in investments in Futu Holdings Ltd., Meituan Dianping, Bilibili Inc. and Pingduoduo Inc. when she worked as an equity analyst at Mighty Divine Investment Management Limited, and investments in Sunny Optical Technology (Group) Company Limited when she worked as an equity analyst at China Great Wall AMC (International) Holdings Company Limited.

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Ms. Zhou also served as chief financial officer of Chenghe Acquisition Co. (NASDAQ: CHEA), a NASDAQ-listed blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

Ms. Zhou received a bachelor's degree in mathematics, information and application from Université Paris 5 and a master's degree in financial mathematics and statistics from The Hong Kong University of Science and Technology.

Legal Proceedings

There is no material litigation, arbitration or governmental proceeding currently pending against SPAC or any members of its management team in their capacity as such.

Periodic Reporting and Audited Financial Statements

SPAC has registered its securities under the Exchange Act and has reporting obligations, including the requirement to file annual and quarterly reports with the SEC. In accordance with the requirements of the Exchange Act, SPAC's annual reports contain financial statements audited and reported on by SPAC's independent registered public accounting firm. SPAC has filed with the SEC its Annual Reports on Form 10-K for the years ended December 31, 2022 and December 31, 2023, and its Quarterly Reports on Form 10-Q

covering the quarters ended March 31, 2022, June 30, 2022, September 30, 2022, March 31, 2023, June 30, 2023 and September 30, 2023. SPAC also disclose certain material events in Current Report on Form 8-K. The SEC maintains an Internet website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The SEC's Internet website is located at <http://www.sec.gov>.

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SPAC MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of SPAC's financial condition and results of operations should be read in conjunction with the financial statements of SPAC and the notes related thereto which are included elsewhere in this Registration Statement/Proxy Statement. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. SPAC's actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Overview

SPAC is a blank check company incorporated on May 20, 2021 as a Cayman Islands exempted company and incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities. SPAC intends to effectuate its initial business combination using cash from the proceeds of SPAC IPO and the private placement of the SPAC Private Placement Warrants, the proceeds of the sale of SPAC shares in connection with its initial business combination (pursuant to forward purchase agreements or backstop agreements SPAC may enter into), shares issued to the owners of the target, debt issued to bank or other lenders or the owners of the target, or a combination of the foregoing.

The issuance of additional shares in connection with a business combination to the owners of the target or other investors:

- may significantly dilute the equity interest of investors in SPAC IPO, which dilution would increase if the anti-dilution provisions in the SPAC Class B Ordinary Shares resulted in the issuance of SPAC Class A Ordinary Shares on a greater than one-to-one basis upon conversion of the SPAC Class B Ordinary Shares;
- may subordinate the rights of holders of SPAC Class A Ordinary Shares if preference shares are issued with rights senior to those afforded SPAC Class A Ordinary Shares;
- could cause a change in control if a substantial number of SPAC Class A Ordinary Shares are issued, which could result in the resignation or removal of the present officers and directors of SPAC;
- may have the effect of delaying or preventing a change of control of SPAC by diluting the share ownership or voting rights of a person seeking to obtain control of SPAC; and
- may adversely affect prevailing market prices for SPAC Class A Ordinary Shares and/or warrants.

Similarly, if SPAC issues debt securities or otherwise incur significant debt to bank or other lenders or the owners of a target, it could result in:

- default and foreclosure on the assets of SPAC if the operating revenues after an initial business combination are insufficient to repay its debt obligations;
- acceleration of its obligations to repay the indebtedness even if SPAC makes all principal and interest payments when due if SPAC breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- the immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- the inability to obtain necessary additional financing if the debt security contains covenants restricting the ability of SPAC to obtain such financing while the debt security is outstanding;
- the inability to pay dividends on SPAC Class A Ordinary Shares;
- using a substantial portion of the cash flow of SPAC to pay principal and interest on its debt, which will reduce the funds available for dividends on SPAC Class A Ordinary Shares, expenses, capital

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- limitations on the flexibility of SPAC in planning for and reacting to changes in its business and in the industry in which it operates;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on the ability of SPAC to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of its strategy and other purposes and other disadvantages compared to its competitors who have less debt.

As indicated in the accompanying financial statements, at December 31, 2023, SPAC had no cash and had working capital deficit of \$2,116,996. Transaction costs related to SPAC IPO amounted to \$7,647,620 consisting of \$2,600,000 of underwriting discount, \$4,550,000 of deferred underwriting discount, and \$497,620 of other offering costs. In addition, \$2,494,203 of cash was held outside of the trust account and was available for working capital purposes at the consummation of the IPO. Further, SPAC expects to incur significant costs in the pursuit of its initial business combination. There is no assurance that the plans to raise capital or to complete the initial business combination will be successful.

Results of Operations

As of December 31, 2023, SPAC had not commenced any operations. All activity for the period from May 20, 2021 (inception) through December 31, 2023, relates to its formation and SPAC IPO, and, since the completion of SPAC IPO, the Sponsor Sale, searching for a target to consummate an initial business combination and activities in connection with the Business Combination. SPAC is not expected to generate any operating revenues until after the completion of its initial business combination, at the earliest. SPAC generated non-operating income in the form of interest income from the proceeds derived from SPAC IPO and placed in the trust account.

For the year ended December 31, 2023, SPAC had a net income of \$425,912, which consisted of unrealized gain on change in fair value of warrants of \$1,584,000, other income attributable to derecognition of deferred underwriting fee allocated to offering costs of \$186,550, and trust interest income of \$3,650,731, partially offset by formation and operating costs of \$2,143,619 and expense recognized on transferring of 2,650,000 SPAC Class B Ordinary Shares from Old SPAC Sponsor to New SPAC Sponsor of \$2,851,750.

For the year ended December 31, 2022, SPAC had a net income of \$9,832,611, which consisted of unrealized gain on change in fair value of warrants of \$9,216,000, gain on expiration of over-allotment option of \$390,000, and trust interest income of \$1,912,063, partially offset by formation and operating costs of \$1,350,221 and warrant issuance costs of \$335,231.

Liquidity, Capital Resources and Going Concern

As of December 31, 2023, SPAC had no cash on hand and working capital deficit of \$2,116,996. On October 6, 2023, SPAC transferred cash balance of \$428,000 from its bank account controlled by the Old SPAC Sponsor to an account controlled by the New SPAC Sponsor, due to SPAC's new bank account under the control of the New SPAC Sponsor has not been set up at the time. SPAC and the New SPAC Sponsor agreed to offset the balance of \$428,000 due from the New SPAC Sponsor with the October 2023 Note balance due to the New SPAC Sponsor of \$832,170.49 as of December 31, 2023, as a result of which, the total outstanding balance of the October 2023 Note was \$404,170 as of December 31, 2023.

For the year ended December 31, 2023, cash used in operating activities was \$747,384. Net income of \$425,912 was affected by unrealized gain on change in fair value of warrant liabilities of \$1,584,000, other income attributable to the reduction of deferred underwriting fee allocated to offering costs of \$186,550, excess fair value over cash received for private placement warrants of \$2,851,750 and interest earned on marketable investments held in the Trust Account of \$3,650,731. Changes in operating assets and liabilities provided by \$1,396,235 of cash for operating activities.

For the year ended December 31, 2022, cash used in operating activities was \$1,147,591. Net income of \$9,832,611 was affected by unrealized gain on change in fair value of warrant liabilities of \$9,216,000, warrant issuance costs of \$335,231, gain on expiration of over-allotment option of \$390,000, interest earned on marketable investments held in the Trust Account of \$1,912,063. Changes in operating assets and liabilities provided \$202,630 of cash for operating activities.

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For the year ended December 31, 2023, cash provided by investing activities was \$94,557,197. This included cash withdrawal of \$95,617,197 from Trust Account in connection with redemption of Class A ordinary shares, and cash withdrawal of \$43,179,525 from disposal of marketable securities held in trust account, partially net off by principal deposited into the Trust Account from extension payments totaling \$1,060,000 and cash deposited into an interest — bearing deposit trust account of \$43,179,525.

For the year ended December 31, 2022, cash used in investing activities was \$132,600,000 which resulted from principal deposited into the Trust Account from the SPAC IPO.

For the year ended December 31, 2023, cash used in financing activities was \$94,913,027. This included cash withdrawn from the Trust Account for the partial redemption of ordinary shares of \$95,617,197, partially net off by proceeds from the promissory notes issued to Old SPAC Sponsor and New SPAC Sponsor of \$704,170.

For the year ended December 31, 2022, cash provided by financing activities was \$134,850,805. This included \$127,400,000 of proceeds from the initial public offering, net of underwriters' discount, \$7,900,000 of proceeds from private placement warrants, \$142,350 in payments of the promissory note issued to the Old SPAC Sponsor and \$306,845 in the payment of deferred offering costs.

On January 27, 2022, SPAC consummated SPAC IPO of 13,000,000 Units, at \$10.00 per Unit, generating gross proceeds of \$130.0 million. Simultaneously with the closing of SPAC IPO, SPAC consummated the sale of 7,900,000 SPAC Private Placement Warrants at a price of \$1.00 per warrant in a private placement to Old SPAC Sponsor, generating gross proceeds of \$7.9 million. Prior to the completion of the SPAC IPO, SPAC lacked the liquidity it needed to sustain operations for a reasonable period of time, which is considered to be one year from the issuance date of the audited condensed financial statements. At the consummation of the SPAC IPO, cash of \$2,494,203 in excess of the funds deposited in the Trust Account and/or used to fund offering expenses was released to SPAC for general working capital purposes.

SPAC did not have any cash on hand as of December 31, 2023. Until consummation of its initial business combination, it will use the funds raised from the New SPAC Sponsor, as mentioned below, for paying existing accounts payable, identifying and evaluating prospective initial business combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the business combination.

SPAC can raise additional capital through Working Capital Loans from the Sponsors, an affiliate of a Sponsor, certain of its officers and directors, or through loans from third parties. If SPAC is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of its business plan, and reducing overhead expenses. SPAC cannot provide assurance that new financing will be available to it on commercially acceptable terms, if at all.

On April 13, 2023, SPAC held the First Extension Meeting. In connection with the First Extension Amendment Proposal, the Company agreed to contribute into the Trust Account the lesser of an aggregate of \$150,000 and \$0.0375 per SPAC Public Share that was not redeemed at the First Extension Meeting for each monthly period commencing on April 27, 2023 until the earlier of the completion of the initial business combination or November 27, 2023. SPAC issued a non-interest bearing non-convertible unsecured promissory note (the "April 2023 Note") to the Old SPAC Sponsor for a principal amount of up to \$1,050,000 to fund the contributions to SPAC's Trust Account in connection with the First Extension Amendment Proposal and the First Trust Amendment Proposal. The April 2023 Note was terminated on October 4, 2023 and the withdrawal of \$300,000 under the April 2023 Note was forgiven without any further liability of us or the Old SPAC Sponsor. The amounts forgiven were booked as a capital transaction at October 4, 2023.

On October 25, 2023, SPAC held the Second Extension Meeting. In connection with the Second Extension Amendment Proposal, SPAC agreed to contribute into the Trust Account the lesser of an aggregate of \$80,000 and \$0.02 for each SPAC Public Share that was not redeemed at the Second Extension Meeting for each monthly period commencing on October 27, 2023 until the earlier of the completion of the initial business combination and October 27, 2024. On October 25, 2023, SPAC issued the October 2023 Note, a non-interest bearing non-convertible unsecured promissory note, to the New SPAC Sponsor for a principal amount of up to \$1,960,000. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. Including the \$428,000 cash transferred from SPAC's bank account controlled by the Old SPAC Sponsor to the account controlled by the New SPAC Sponsor, the New SPAC

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Sponsor paid \$832,170 in total, on behalf of SPAC, for extension and working capital purposes, of which \$610,000 was used for extension deposits and \$222,170 was used for working capital purposes. As of the date of

this Proxy Statement/Registration Statement, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note.

On each of February 2, 2024, March 4, 2024 and April 2, 2024, \$78,837 was deposited as Extension Contribution into the Trust Account by FST pursuant to the Business Combination Agreement, extending the SPAC Termination Date to April 27, 2024.

If a business combination is not consummated by the required date and SPAC is unable to obtain the funding to further extend the business combination period beyond any extended deadline, there will be a mandatory liquidation and subsequent dissolution. In connection with the SPAC's assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," SPAC has until April 27, 2024 (or October 27, 2024 subject to additional extension deposits of \$78,837 each month) to consummate the initial business combination. SPAC intends to complete the initial business combination before the mandatory liquidation date. However, there can be no assurance that SPAC will be able to consummate any business combination by April 27, 2024 (or October 27, 2024 subject to additional extension deposits of \$78,837 each month). SPAC's management has determined that the mandatory liquidation, should a business combination not occur, and potential subsequent dissolution, raises substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The accompanying financial statements have been prepared in conformity with GAAP, which contemplate continuation of SPAC as a going concern. On December 22, 2023, SPAC entered into the Business Combination Agreement with the FST Parties, pursuant to which, among other transactions, on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into SPAC with SPAC being the surviving company and as a direct, wholly owned subsidiary of CayCo, and the Company will change its name to "FST Ltd."

Pursuant to the Business Combination Agreement, at the time when the Merger becomes effective, (i) each outstanding SPAC Units will be automatically separated and the holder thereof will be deemed to hold one SPAC Class A Ordinary Share and one-half of one SPAC Public Warrant; (ii) each then issued and outstanding SPAC Class B Ordinary Share will be automatically converted into one SPAC Class A Ordinary Share and each SPAC Class B Ordinary Share will no longer be issued and outstanding and will automatically be cancelled and cease to exist; (iii) each SPAC Class A Ordinary Share (which for the avoidance of doubt, includes the SPAC Class A Ordinary Shares (A) issued in connection with the SPAC Class B Conversion; and (B) held as a result of Unit Separation) will convert into the right to receive one CayCo Ordinary Share; and (iv) each SPAC Warrant that is outstanding and unexercised will automatically convert into the right to receive a CayCo Warrant, which shall be on the same terms and conditions as the applicable SPAC Warrant.

Under the Business Combination Agreement, the obligations of the parties (or, in some cases, some of the parties) to consummate the Business Combination are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others, (i) the accuracy of representations and warranties to various standards, from no material qualifier to a material adverse effect qualifier, (ii) material compliance with pre-closing covenants, (iii) no material adverse effect for FST, (iv) FST's Company Acquisition Percentage (as defined in the Business Combination Agreement) reaching at least 90%, (v) the consummation of the FST Restructuring (as defined in the Business Combination Agreement), (vi) the delivery of customary closing certificates, (vii) the receipt of Taiwan DIR Approval and such approval being effective, (viii) the absence of a legal prohibition on consummating the transactions, (ix) approval by the SPAC's and the Company's shareholders, (x) approval of a listing application on the applicable stock exchange for newly issued shares, and (xi) SPAC having at least US\$5,000,001 of net tangible assets remaining after redemption.

Concurrently with the extension of the Business Combination Agreement, SPAC, the New SPAC Sponsor, the Old SPAC Sponsor and FST entered into the Sponsor Support Agreement, pursuant to which each Sponsor has agreed to, among other things, vote in favor of the transaction contemplated under the Business Combination Agreement, from the date when FST received the Taiwan DIR Approval (as defined therein) until the closing of the FST Business Combination or, if earlier, until termination of the Business Combination Agreement.

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Concurrently with the execution of the Business Combination Agreement, SPAC, FST, CayCo, certain shareholders of FST listed thereto and certain shareholders of CayCo listed thereto entered into the Company Support Agreement, pursuant to which each signatory shareholders of FST and CayCo has agreed to, among other things, vote to the transactions contemplated under the Business Combination Agreement, and to not transfer any Subject Shares (as defined therein) until termination of the Company Support Agreement.

At the closing of the Business Combination, CayCo, the New SPAC Sponsor, the Old SPAC Sponsor certain shareholder of FST listed thereto and certain person listed thereto will enter into a Lock-up Agreement, pursuant to which, each Holder agrees to not to transfer any Lock-Up Shares (as defined therein) for a period of

six (6) months after the closing date of the FST Business Combination, with certain exceptions and carveouts.

At the closing of the Business Combination, CayCo, SPAC, FST and other parties listed thereto will enter into the Investor Rights Agreement. Pursuant to the Investor Rights Agreement, (i) CayCo will agree to undertake certain resale shelf registration obligations in accordance with the Securities Act and certain holders have been granted customary demand and piggyback registration rights, and (ii) each party to the Investor Rights Agreement agrees to cause (x) the board of CayCo to be comprised of five (5) directors (subject to increase by unanimous resolutions of the board from time to time), (y) one (1) of such directors should be nominated by the New SPAC Sponsor and (z) as long as the Sponsor Parties (as defined therein) beneficially own any ordinary shares of CayCo, CayCo shall take all necessary actions to cause the individuals nominated by the New Sponsor for election as directors to be elected as directors.

Off-Balance Sheet Financing Arrangements

SPAC has no obligations, assets or liabilities, which would be considered off-balance sheet arrangements as of December 31, 2023 and 2022. SPAC does not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. SPAC does not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

Contractual Obligations

As of December 31, 2023 and 2022, SPAC did not have any long-term debt, capital or operating lease obligations.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the audited condensed financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates.

A critical accounting estimate to SPAC's financial statements is the estimated fair value of our warrant liabilities and over-allotment liability, and SPAC Class B Ordinary Shares. Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

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Warrant Liabilities and Over-allotment Liability

SPAC does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. SPAC evaluate all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 815-15. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity and measurement of fair value is re-assessed at the end of each reporting period. In accordance with ASC 825-10 "Financial Instruments", offering costs attributable to the issuance of the derivative warrant liabilities and overallotment option have been allocated based on their relative fair value of total proceeds and are recognized in the condensed statements of operations as incurred. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or the creation of current liabilities.

SPAC accounts for warrants and over-allotment as either equity-classified or liability-classified instruments based on an assessment of the warrant and over-allotment option's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants and over-allotment option are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants and over-allotment option meet all of the requirements for equity classification under ASC 815, including whether the warrants and over-allotment option are indexed to its own ordinary shares, among other conditions for equity classification. This assessment is conducted at the time of warrant and over-allotment option issuance and as of each subsequent quarterly period end date while the warrants and over-allotment option are outstanding.

For issued or modified warrants and over-allotment option that meet all of the criteria for equity classification, the warrants and over-allotment option are recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants and over-allotment option that do not meet all the criteria for equity classification, the warrants and over-allotment option are required to be recorded as a liability at their initial fair value on the date of issuance, and each condensed balance sheet date thereafter. Changes in the estimated fair value of the warrants and over-allotment option are recognized as a non-cash gain or loss on the condensed statements of operations.

SPAC accounted for the warrants and over-allotment option in accordance with the guidance contained in ASC 815-40. The warrants and over-allotment are not considered indexed to the SPAC's ordinary shares, and as such, they do not meet the criteria for equity treatment and are recorded as liabilities.

At December 31, 2023, SPAC used the quoted price on Over-the-Counter Market (the "OTC") to establish the fair value of the SPAC Public Warrants. At December 31, 2022, SPAC used the quoted price on Nasdaq to establish the fair value of the SPAC Public Warrants and transferred the Public Warrants from Level 3 to Level 1 due to the use of observable inputs.

The SPAC Private Placement Warrants were transferred to a Level 2 from a Level 3 during the year ended December 31, 2022, due to the use of an observable market quote for a similar asset in an active market. At December 31, 2022 SPAC Public Warrant price was used to value the SPAC Private Placement Warrants. The SPAC Private Placement Warrants changed from Level 2 at March 31, 2023 to Level 3 at December 31, 2023 as a result of the lack of an observable market quote of the SPAC Public Warrants on that day. At December 31, 2023 a Monte Carlo simulation methodology was used in estimating the fair value of the SPAC Private Placement Warrants.

SPAC Class B Ordinary Shares

SPAC analyzed the SPA entered into during September 2023 under SAB Topic 5, Miscellaneous Accounting, section T, Accounting for Expenses or Liabilities Paid by Principal Stockholder(s) and concluded that the SPA provides SPAC with a benefit in the form of the right to receive additional extension contributions from the New SPAC Sponsor. The right to receive the additional extension contributions required the New SPAC Sponsor, who is a principal shareholder, to provide or cause to provide consideration in the form of a transfer of SPAC Class B Ordinary Shares of SPAC. The estimated fair value of the earnout provision at the closing of the Sponsor Sale on October 6, 2023 is nominal to zero. As a result, SPAC determined that an expense in the full amount of the fair value of the SPAC Class B Ordinary Shares transferred should be recorded. During October 2023, SPAC recorded an expense under SAB Topic 5T of \$2,851,750 with a corresponding increase to additional paid-in capital, based on a Monte Carlo Model simulation valuation of the SPAC Class B Ordinary Shares.

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Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09), which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. SPAC's management does not believe the adoption of ASU 2023-09 will have a material impact on its financial statements and disclosures.

The management of SPAC does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on its unaudited condensed financial statements.

JOBS Act

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for

qualifying public companies. SPAC qualifies as an “emerging growth company” and under the JOBS Act is allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. SPAC is electing to delay the adoption of new or revised accounting standards, and as a result, SPAC may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the audited condensed financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, SPAC is in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an “emerging growth company,” SPAC chooses to rely on such exemptions it may not be required to, among other things, (i) provide an independent registered public accounting firm’s attestation report on its system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the report of the independent registered public accounting firm providing additional information about the audit and the financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of SPAC IPO or until SPAC is no longer an “emerging growth company,” whichever is earlier.

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BUSINESS OF FST AND CERTAIN INFORMATION ABOUT FST

In this section, unless otherwise indicated or the context otherwise requires, “the Company,” “we,” “our,” “us” and other similar terms refer to Femco Steel Technology Co., Ltd. and its subsidiaries.

Overview

Femco Steel Technology Co., Ltd., is a renowned manufacturer and innovator in the golf industry with a growing portfolio of innovative golf products, including acclaimed golf club shafts and other equipment. Founded in Taiwan in 1976 and commencing golf club shaft manufacture in 1992, the Company has spent more than three decades meticulously crafting high-performance shafts for golfers worldwide.

Since 1992, the Company has engaged in the research and development, manufacturing and sales of golf club shafts. The Company currently produces and sells golf club shafts under the Company’s own high-performance “KBS” golf club shaft brand, and serves as an original equipment manufacturer (OEM) and original design manufacturer (ODM) for other world-renowned golf equipment brands, golf equipment OEMs, and golf equipment distributors that provide consumers with customized golf club services. The Company also develops its retail presences in the U.S. and Japan markets through its KBS Golf Experience stores, which provide retail customers new equipment build services and retro-build services for existing clubs.

Starting from 2007, the Company started using the “KBS” brand as a part of broader initiatives to transition from an OEM for other international golf brands to an operator of an independent and competitive brand. The development of KBS brand is led by renowned designer Kim Braly.

The Company first introduced the KBS brand into the U.S. market through the PGA tour in 2008. Since its launch, the Company continuously cultivated the KBS brand through the launch of golf shaft series that are well respected by the golf community: KBS Tour shaft series in 2008, KBS C-Taper steel shaft series in 2011, KBS Tour Hybrid series in 2017, KBS Tour-TGI graphite series in 2018 and KBS TD Driver graphite shafts series in 2020. Through the expansion of its product lines to encompass both steel club shafts and carbon fiber club shafts, the Company believes that this comprehensive approach addresses customers’ preferences for one-stop shopping, significantly enhancing the Company’s and brands’ capabilities to accept orders and negotiate. Since 2016, the Company has supplied golf shafts directly to PGA players. This initiative allows PGA players to test the shafts and participate in competitions using them, and opens up a pathway for the Company to collect feedback from professional players. Close interactions with the top professional players also provides the Company with opportunities to market its KBS shafts. As of March 1, 2024, 67 PGA players were using KBS brand shafts in their professional competitions. Propelled by the professional endorsement and high market visibility, the Company has successfully evolved from being an OEM for international brands to a trusted provider of golf shafts under its proprietary brand “KBS”.

To further raise the brand awareness and directly connect with customers, the Company has established the KBS Golf Experience stores in the U.S. and Japan, located in Carlsbad, California and Tokyo, Japan, respectively. These stores offer golf club customization and fitting services for individual customers, and are equipped with

simulation tracking technology, software tools, and data recording systems. By quantifying the performance of golf clubs used on courses and analyzing consumer preferences and swing performance on-site, the staff are able to recommend suitable golf equipment for golfers of different age, gender, and experience level. The Company believes the direct interactions with customers will enhance brand awareness and loyalty. The customers' feedbacks serve as valuable reference points for future product development, which, in turn, helps sustain the competitiveness of the Company's products.

The Company believes that it will be able to continue to improve its competitive positioning by adhering closely to consumer demand, augmented by strong brand development efforts, a comprehensive product line, and online and offline sale touch points.

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Our Competitive Strengths

Distinguished Proprietary KBS Brand

The KBS brand has been widely accepted and well received by the golf players of all levels, from top professional players to recreational players. As of December 31, 2023, 27 PGA players were using KBS brand shafts in their professional competitions. The Company has also developed long-term collaboration relationships with major international golf club brands, through which the Company may, at the clients' selection, supply KBS brand shafts to be incorporated as a part of the client's clubs.

The Company believes that the competitiveness of its KBS brand is largely attributable to the Company's unwavering commitment to a player-centric focus in product development. As a supplier to PGA players, the Company employs a dedicated team catering exclusively to the needs of PGA professional players, including customizing each club shaft based on the player's specific requirements and feedback. This approach ensures that the shafts conform to the player's unique characteristics, which improves his performance, stability and shot-to-shot consistency. The endorsement by PGA players further improves the brand visibility and increases sales of KBS brand shafts.

The industry recognition and customer acceptance have propelled the Company to become a leading supplier of golf shafts. The KBS business has been ranked by the National Golf Foundation in 2023 as among the top 100 businesses in the golf industry. By diversifying its sales channels and fostering strong consumer following and loyalty, the Company has secured a significant competitive advantage, creating a foundation for sustained future growth.

Vertically Integrated Business Model

The Company develops a vertically integrated business model with both production and marketing capabilities. It stands as one of the few golf shaft manufacturers capable of both:

- **Shaft Production:** This internal production capacity provides substantial control over material costs and production processes, ensuring consistent quality and efficient output.
- **Global Brand Marketing:** Leveraging its KBS brand, the Company has direct access to diverse international markets and all segments of golf-playing clientele, capturing valuable brand profitability that exceeds the typical margins achieved through solely OEM/ODM business models.

This integrated approach generates several advantages over other golf shaft manufacturers:

- **Enhanced Profitability:** By operating its own brand, the Company is able to charge brand premiums for its KBS products, which help increase the Company's gross profit margins as compared to its OEM/ODM peers.
- **Brand-Driven Growth:** The established KBS brand provides the Company with insights to market trends, enabling the Company to quickly identify and capitalize on new market opportunities, further strengthening its competitive position.
- **Production Flexibility:** Ownership of independent production technology and capacity empowers the Company to adapt swiftly to market shifts. This agility allows for resilient allocation of production resources in response to changes in marketing or sales strategies, ensuring efficient operations and rapid response to evolving market dynamics.

In essence, the Company's unique vertically integrated model and established brand presence combine to create a robust competitive advantage, positioning it for sustained growth and profitability within the global golf equipment landscape.

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Direct Customer Engagement and Strong R&D Capabilities

The golf shaft industry has seen increasing competition among manufacturers to launch new products more frequently to meet changing customer preferences. The Company believes that it is well-positioned to capture greater market shares through its close connection with its customer base and its investment in research and development:

- **Dedicated Efforts to Professional Players:** The Company assigns dedicated personnel to each PGA player who uses the Company's shafts. The dedicated teams attend tournaments and events with the players to gather their feedbacks on the performance of the Company's products, and record suggestions to improve or customize their shafts. The feedbacks and suggestions gathered from the PGA players are shared with the research and development team, so that the Company's premium products, which are designed for professional players and golf enthusiasts, can be developed to best suit the needs of the top golf athletes. The Company believes the wider endorsement of its shafts by the top golf athletes will elevate the brand's prestige, which in turn could lead to more sales to retail customers.
- **Addressing Retail Demand Through Omni-channel Sales Network:** The Company also connects with its retail customers through both online and offline channels. Customers can visit the Company's online fitting tool available on the Company's website, Find Your Fit, to purchase a new club or retrofit an existing club with new shafts and grips. The Company also directly interacts with the customers and observes their preferences through the personalized fitting services offered in KBS Golf Experience stores, which allow the Company to record first-hand consumer behaviors. The Company analyzes the customer preferences recorded through offline and online channels to drive the development and refinement of its products, which helps ensure that new products adapt to the ever-changing customer preferences.
- **Investment in Research and Development:** The Company has a dedicated research and development team focusing on product design, development, and process improvement. The R&D team has 19 full time staff, with 1 employee having a doctorate degree, 5 employees having master's degrees and 12 having undergraduate degrees. As of December 31, 2023, the Company registered two utility patents for its products. The focus on research and development for its products and production process allows the Company to rapidly respond to changing market demands and timely deliver products that cater to customer needs.

Manufacturing Expertise and Efficiency

With more than 30 years of manufacturing experience, the Company has developed extensive expertise in mechanical manufacturing and metal material processing. Leveraging its manufacturing expertise, the Company has established an efficient manufacturing process to reduce production costs, and a rigorous quality control process to ensure product quality.

The Company believes that its manufacturing process has the following advantages:

- **Reduced Manual Labor:** Through the investment in automated production equipment, the Company reduces its reliance on human resources and operational costs, which, in turn, leads to increase in production efficiency and profit margin.
- **Shorter Delivery Periods:** The Company's streamlined production processes result in faster turnaround times, enabling the Company to deliver products to customers with greater speed and responsiveness and resulting in a shortening of delivery lead time from 2019 to 2023.
- **Enhanced Production Capacity:** The Company employs computer-integrated smart manufacturing in its shaft production process. The Company's proprietary production software operates IoT-connected production machinery to monitor the production processes in real time, gathering production information and energy consumption data and using data analytics to improve manufacturing performance. This data-driven approach helps ensure optimal resource allocation and identify opportunities for efficiency improvements.

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The Company's manufacturing expertise in shaft production allows the Company to pioneer in graphite shafts production in response to changing customer demand. The Company launched its first graphite shaft series,

KBS Tour-TGI series, in 2017. Since then, the Company has further expanded its graphite shaft portfolio with the Hybrid and TD series. This comprehensive portfolio caters to the diverse needs of golf customers, offering one-stop shopping for various specifications and functionalities. The expansion not only enhances brand awareness and market share but also strengthens the Company's bargaining power with brand suppliers.

Leveraging Taiwan's Golf Manufacturing Hub and Trade Dynamics

Over four decades, Taiwan has established itself as a leading global golf equipment production hub, with a comprehensive supply chain ecosystem. The strong manufacturing capabilities, combined with the comprehensive product offering, allow Taiwanese manufacturers to meet the customers' specified needs throughout the lifecycle of a product. In addition, the relatively low labor costs and competitive production pricing have cemented Taiwan manufacturers' position as preferred partners for international brands.

Furthermore, the Company has witnessed manufacturing orders moved from PRC to Taiwan due to the recent trade tensions between China and the U.S., which presented an opportunity for the Company to further expand its operation. Given the Company's existing competitive position in the market, the Company believes that it is able to secure larger order volumes and new product development opportunities from customers seeking alternative production sources.

Our Growth Strategies

Optimizing Product Design Through Data Collection

As golf continues to gain popularity around the world, golf players started to demand more customization for the golf shafts to better suit their technical abilities and swing characteristics. For example, a golfer may seek to customize the stiffness, the bend profile, the weight, the material and the length of his or her golf shafts. The increasing demand in product customization prompts the golf equipment manufacturers to invest in research and development for shafts available in various forms or with different functions.

To better addressing the diverse customer preferences and anticipating market changes, the Company plans to leverage the customer preference data that the Company collects through the online fitting tool and the KBS Golf Experiences store. Personalized fittings allow the Company to collect performance data on customers, which facilitate the development of comprehensive profile of the customers' abilities and swing characteristics. In addition, the Company records feedbacks and preferences of top golf athlete through its PGA engagements, which could also be leveraged to inform and anticipate upcoming preferences in the retail market. The Company plans to continue to invest in analytical tools and big data analysis to drive the product development and product line expansions.

Expansion of KBS Golf Experience Store Network

Due to the popularity and prestige of KBS brand, the Company believes that there is latent demand for its products in many geographic markets, such as the PRC, South Korea, Southeast Asia, Europe, and the Middle East, where the Company does not yet have a physical presence and its products may not be easily obtainable. The Company is exploring its market entry strategies for these markets. In addition, the Company believes that further expansion in the U.S. and Japanese markets through opening additional KBS stores will cover more population, which could, in turn, increase the sales in those markets.

To initiate or expand its sales channels in these markets, the Company plans to open KBS Golf Experience stores, either on its own or in collaboration with local partners. In these stores, the Company plans to showcase its full shaft product line and golf accessories in conjunction with personalized club fitting services that KBS Golf Experience stores are already known for. The Company believes that opening stores in new markets and additional stores in the U.S. and Japan will help increase KBS brand awareness and generate additional sales from these markets.

With more KBS Golf Experience stores opening worldwide, the Company hopes to diversify its revenue sources from mainly shaft sales to a mix of shaft sales, sales of in-store and online golf equipment and golf accessories, and revenue from fitting and customization services.

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Expanding into the PRC Market

The maturation of golf markets in the U.S. and Japan has prompted international major golf brands to seek new opportunities abroad. The PRC, with its stable economic growth and rising disposable income in the last few decades, has emerged as a battleground for major golf brands.

Several factors contribute to the PRC's burgeoning golf market:

- **Growing Affluence:** As disposable income increases, Chinese consumers' spending power expands, making golf a more accessible sport for a wider population.
- **Sporting Success:** The impressive performance of Chinese players in international tournaments has fueled domestic interest and enthusiasm for the game.
- **Policy Support:** The inclusion of golf in the "14th Five-Year Planning for Sports Competition" by the Chinese government signifies a commitment to promote and popularize the sport, paving the way for significant market growth.

The Company recognizes the immense potential of the PRC market and has strategically positioned itself to capitalize on this growth. Its expertise in manufacturing and brand building makes it a well-suited competitor in this dynamic landscape.

Products and Services Offerings

Current Product Offerings

The Company specializes in the development and manufacturing of high-performance golf club shafts, catering to golfers of all skill levels and price sensitivities through three distinct product lines: premium shafts, standard shafts, and economy shafts.

The Company exclusively markets its premium shafts under the KBS brand. The Company sells KBS brands to both retail customers, international golf brands and sports retailers. The Company's premium shafts, crafted from top quality materials such as steel and carbon fiber, are meticulously engineered to meet the rigorous demands of PGA professionals and serious players. In addition, the premium shafts undergo a sophisticated manufacturing process to increase symmetry and reduce torque. As a result, these shafts provide precise control over the center of gravity and torque, optimizing hitting accuracy and feel. With multiple lengths and stiffness options, they allow the customers to customize a shaft specifically for his or her style.

The Company offers its standard shafts to other international brands as an OEM or ODM partner. The standard shafts are steel shafts that are designed in accordance with the brand customers' specification. The Company manufactures, if acting as an OEM partner, or designs and manufactures, if acting as an ODM partner, the standard shafts based on the customers' specification. The standard shafts are typically incorporated into the pre-packaged branded clubs offered by the customers. As a result, the Company offers the customers a limited level of customization.

The Company offers economy shafts to other non-branded golf club manufacturers. The non-branded golf clubs target the beginners with low budget. Therefore, the Company manufactured the economy shafts based on industry standard specifications with little customization, and generally produced them in bulk orders.

The Company primarily markets steel golf club shafts. Beginning in 2017, the Company expanded its product offering to include carbon fiber (graphite) shafts. Graphite shafts are typically lighter than steel shafts, which allows golfers to generate greater clubhead speed and distance. They are also typically offered in ultra-lite weight series of products, which can help golfers with slower swing speeds achieve greater distance. Steel shafts are generally heavier than graphite shafts, which makes them more stable during the swing, and is generally preferred by stronger, faster-swinging golfers who value control over distance.

Premium Shafts

The Company's premium shafts are marketed under the Company's own KBS brand. For the year ended December 31, 2023, sales of the premium shafts made up approximately 62% of the Company's revenues. Premium shafts are distinguished from the Company's other products in that they are manufactured entirely to the Company's

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proprietary designs, with different tooling and manufacturing processes to ensure consistency and reduce torque, and are subject to the most rigorous quality and inspection requirements out of all of the Company's products. The premium shafts are also subject to additional coating to give them a premium finish and appearance.

The Company primarily supplies the premium shafts to (a) major international golf club brands to be fitted in their premium clubs, (b) national golf merchandise distributors to be resold in their shops as standalone products, and (c) retail customers who desire to upgrade their equipment using customary fitting process through the Company's online store or KBS Golf Experience store.

Premium shafts comprise a full product line of shafts for drivers, wedges, and putters.

Shafts for Drivers



KBS TOUR: The KBS TOUR Series is designer Kim Braly's signature shaft and is ideal for players desiring shot versatility with mid-flight trajectory, while maximizing energy transfer for increased shot control. The KBS TOUR Series can be fitted into 2 to 9 iron golf clubs, pitching wedge, and sand wedge, and comes in Regular, Regular+, Stiff, Stiff+, and Extra Stiff flexes ranging from 110 grams, 115 grams, 120 grams, 125 grams, and 130 grams respectively in weight, from 37.5 to 41 inches in length with tip diameter of .355 and .370 inches in Classic KBS Chrome finish.



KBS TOUR LITE: The KBS TOUR LITE Series is designed to provide tight dispersion, a higher trajectory, additional spin and, longer distance in a lightweight package. As the newest, lightest, steel shaft in the KBS product line, it is a 20% lighter than the comparable KBS TOUR shaft. The KBS TOUR LITE Series can be fitted into 2 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Regular Stiff, Stiff, and Extra Stiff flexes ranging from 95 grams, 100 grams, and 105 grams in weight, from 37 to 40.5 inches in length, with tip diameter of .355 and .370 inches in black gloss and Classic KBS Chrome finish.



KBS TOUR-V: The KBS TOUR-V Series is a steel shaft that features larger outer diameters, resulting in a stable tip section and tight shot dispersion. It is designed for players who prefer a mid-flight trajectory with less ball spin. The KBS TOUR-V Series can be fitted into 2 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Regular Stiff, Stiff, Extra Stiff, Tour Spec S+, and Tour Spec X flexes ranging from 110 grams, 115 grams, 120 grams, 125 grams, and 130 grams respectively in weight, from 37 to 40.5 inches in length with tip diameter of .355 inches in Classic KBS Chrome finish.



KBS 560 and 580: The KBS 560 and 580 Series are developed specifically for junior developing players. Both shaft weights provide the junior player one full club length longer in distance and consistency relative to shafts made for adults. This allows the junior player better control over spin and ball flight that he/she otherwise would be able to achieve with shafts made for adults. The KBS 560 and 580 Series can be fitted into 3 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Regular and Stiff flexes ranging from 80 to 95 grams in weight, from 34 to 40 inches in length with tip diameter of .355 inches or .370 inches in Classic KBS Chrome finish.



KBS MAX 80: The KBS MAX 80 Series is a lightweight shaft designed for mid-high handicap players. It is a R/S/X combination parallel tip shaft that produces a high trajectory and spin rate for longer distance shots. The KBS MAX 80 Series can be fitted into 2 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Regular, Stiff, and Extra Stiff flexes, 111 grams in weight, 43 inches in length with tip diameter of .370 inches in Classic KBS Chrome finish.



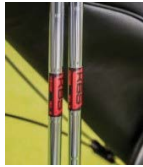
KBS Tour \$-Taper: The KBS Tour \$-Taper Series provides superior feel while maintaining shot workability and tight dispersion for players seeking the ultimate tour shaft with mid-flight trajectory and low spin performance. The KBS Tour \$-Taper shares the same bend profile as the KBS TOUR with elongated step patterns that generate a more stable performance throughout the swing. The KBS Tour \$-Taper Series can be fitted into 2 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Regular, Regular+, Stiff, Stiff+, and Extra Stiff flexes ranging from 110 grams, 115 grams, 120 grams, 125 grams, and 130 grams respectively in weight, from 37.5 to 41 inches in length with tip diameter of .355 inches in Black Gloss and Classic KBS Chrome finishes.

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KBS Tour \$-Taper Light: The KBS Tour \$-Taper Light Series is a lightweight tour performance golf club shaft that provides KBS signature superior feel while maintaining shot workability and tight dispersion for players seeking the ultimate tour shaft with mid/high trajectory and low/mid spin performance in a lighter weight package. The KBS Tour \$-Taper Light Series can be fitted into 2 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Regular, Stiff, and Extra Stiff flexes ranging from 110 grams, 115 grams, and 120 grams, respectively, in weight, 42 inches in length with tip diameter of .370 inches in Classic KBS Chrome finish.

Shafts for Wedges



KBS Wedge: The KBS Wedge Series is developed for players seeking a similar feel to the KBS TOUR. The firmer tip section on the KBS WEDGE allows for less ball spin and increased control. The KBS Wedge Series can be fitted into the pitching wedge, gap wedge, lob wedge, and sand wedge, and comes in Regular, Stiff, and Extra Stiff flexes ranging from 110 grams, 120 grams, and 130 grams respectively in weight, 37 inches in length with tip diameter of .355 inches in Classic KBS Chrome finish.



KBS Tour 610 Wedge: The KBS Tour 610 Wedge Series shaft delivers a lower, more penetrating ball flight with controlled spin. This wedge-specific shaft allows skilled players to produce knock-down and other workable shots into and around the green. The KBS Tour 610 Wedge Series can be fitted into the pitching wedge, gap wedge, lob wedge, and sand wedge, and comes in Regular, Regular+, Stiff, Stiff+ flexes ranging from 110 grams, 115 grams, 120 grams, and 125 grams respectively in weight, 37 inches in length with tip diameter of .355 inches in Black Gloss and Classic KBS Chrome finishes.



KBS TOUR-V Wedge: The KBS TOUR-V Wedge shaft is designed exclusively for wedges to produce shots with a lower-mid trajectory and mid ball spin, creating a piercing ball flight with incredibly tight shot dispersion. The KBS TOUR-V Wedge can be fitted into the pitching wedge, gap wedge, lob wedge, and sand wedge. This shaft is available in a single Stiff+ flex (125g), is 37 inches in length with tip diameter of .355 inches in Classic KBS Chrome finish.



KBS HI-REV 2.0: The KBS HI-REV 2.0 wedge shaft series features an active tip section that increases the effective loft of the club head, delivering a higher ball launch with more spin for added stopping power and accuracy. The KBS HI-REV 2.0 wedge shaft can be fitted into the pitching wedge, gap wedge, lob wedge, and sand wedge. This shaft is available in Regular, Stiff, and Extra Stiff flexes ranging from 115 grams, 125 grams, and 135 grams, respectively, in weight, 37 inches in length with tip diameter of .355 inches in Black Gloss and Classic KBS Chrome finishes.

Shafts for Putters



KBS Tour One Step Putter: The KBS Tour One Step Putter shaft is designed to create pure amplified feel, along with reduction in vibrations at impact for putts to be stable and accurate with different putter head weights. This shaft enables the player to have more flexibility in creating pure amplified feel, along with reductions in vibrations at impact. This shaft is available in Straight Bend, is 130 grams in weight, 38 inches in length with tip diameter of .355 inches in Black Matte, Black Gloss, and Classic KBS Chrome finishes.



KBS CT Tour Putter: The KBS CT Tour Putter shaft series was designed based off of the Company's "Constant Taper" Technology and is available in Straight, Single, and Double Bends, is 124 grams in weight, 38 inches in length with tip diameter of .355 or .370 inches in Black Matte, Black Gloss, and Classic KBS Chrome finishes.



KBS Tour: The KBS Tour putter shaft is another of Kim Braly's signature golf club shafts. It uses the same performance principals as the original KBS TOUR Shaft, maximizing energy transfer for increased putting control, with a stiff design structure to stabilize the head at impact. It is available in Straight Bend, is 124 grams in weight, 38 inches in length with tip diameter of .370 inches in Black Matte, Black Gloss, and Classic KBS Chrome finishes.

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KBS GPS Graphite: The KBS GPS Graphite putter shaft is made from composite materials and fibers and is designed as a high balance performance shaft that results in minimizing deflection bend commonly found in traditional steel putter shafts on longer putts, along with better distance control. It is available in Straight Bend, is 124 grams in weight, 38 inches in length with tip diameter of .355 or .370 inches in Black Matte, Black Gloss, Bright Yellow Matte, Bright Yellow Gloss, Carolina Blue Matte, Carolina Blue Gloss, Georgia Green Matte, Georgia Green Gloss, Hot Pink Matte, Hot Pink Gloss, KBS Red Matte, KBS Red Gloss, Rainbow Gloss, White Matte, White Gloss, and Classic KBS Chrome finishes.

Graphite Shafts



KBS Tour Graphite Hybrid Prototype: The KBS Tour Graphite Hybrid Prototype series is inspired and designed from the KBS Tour shaft, the most popular steel shaft in the KBS Golf Shaft line. It is available in Regular, Regular+, Stiff, Stiff+, and Extra Stiff flexes ranging from 65 grams, 75 grams, 85 grams, 95 grams, and 105 grams, respectively, in weight, 42 inches in length with tip diameter of .370 inches.



KBS TGI — Tour Graphite Iron: The KBS TGI — Tour Graphite Iron series is designed for players looking for maximum steel like playability, shot control and performance in a graphite shaft, and is developed with optimized weight and stiffness to gain maximum playability and performance. It is designed with the same E.I. curve as the KBS Tour Steel and is in every weight class to fit players from Juniors to Women and Tour Professionals. The KBS TGI — Tour Graphite Iron series can be fitted into 2 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Regular, Regular+, Stiff, Stiff+, Stiff++, Extra Stiff, and Extra Stiff+ flexes ranging from 60 grams, 70 grams, 80 grams, 90 grams, 95 grams, 100 grams, and 110 grams respectively in weight, is 36 to 39.5 inches in length with tip diameter of .355 inches in Black Matte finish.



KBS MAX Graphite: The KBS MAX Graphite Iron Shaft series is suitable for players seeking to maximize swing speed, giving players with lower swing speeds the ability to hit the ball at a higher launch and spin with accuracy. It is designed for a wide range of players seeking to maximize the performance of their iron shafts with trajectory, spin, and distance in a consistent, lighter weight package. The KBS MAX Graphite Iron Shaft series can be fitted into 2 to 9 iron clubs, pitching wedge, and sand wedge, and comes in Lite, A, and Regular flexes ranging from 45 grams, 55 grams, and 65 grams respectively in weight, is 36 to 39.5 inches in length with tip diameter of .355 inches in Black Matte finish.



KBS TD Driver/Wood: The KBS TD Driver/Wood shaft series is a lighter and stiffer Driver/Wood shaft that has the characteristics of the original KBS feel, efficiency, and optimization of spin and launch that the KBS product line is known for. It is a mid launch/low spin performance graphite shaft that optimizes the maximum performance and efficiency of spin and launch angles at various swing speeds. The TD Driver/Wood shaft series is available in A, R, S, X, and Tour X flexes ranging from 40 grams, 50 grams, 60 grams, 70 grams, and 80 grams, respectively, in weight with tip diameter of .335 inches in Black Gloss, Black Matte, and White Gloss finish.



KBS PGI Players Graphite Iron: The KBS PGI Players Graphite Iron series was designed to provide the same tolerances, dispersion and control as the KBS Tour Steel shaft at a lighter weight, making it easier to swing. The KBS PGI Players Graphite Iron series can be fitted into 1 to 9 iron clubs, pitching wedge, and sand wedge, and is available in Lite/A, Regular, Regular+, Stiff, Stiff+, and Extra Stiff flexes ranging from 50 grams, 60 grams, 70 grams, 80 grams, 90 grams, and 110 grams, respectively, in weight, is 41 inches in length with tip diameter of .370 inches in Black Matte finish.



KBS Players Graphite Hybrid PGH: The KBS Players Graphite Hybrid PGH series is based on the KBS Players Graphite Iron platform, offering golfers of all abilities an easier launch shaft with better spin. It is a lighter weight version of the KBS Tour Graphite Hybrid Prototype. The KBS Players Graphite Hybrid PGH series is available in Lite, A, Regular, Regular+, Stiff, Stiff+, and Extra Stiff flexes ranging from 45 grams, 55 grams, 65 grams, 75 grams, 85 grams, 95 grams, and 105 grams respectively in weight, is 41 inches in length with tip diameter of .370 inches.

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Limited Edition Shafts

In addition to the above products, from time to time, the Company offers certain series of premium shafts with alternate color scheme in a limited amount as a part of its marketing campaign to drive up interest in its products. Currently, the Company offers the following limited edition shafts: the C-TAPER Black Limited Edition and the C-TAPER LITE Black Limited Edition steel shafts, the TD Driver/Wood Limited Edition graphite shafts, the HI-REV 2.0 Wedge Major Green Limited Edition series wedges, and the HI-REV 2.0 Wedge Liberty Limited Edition wedges.

Standard Shafts

Standard shafts are exclusively steel shafts. The Company manufactures and primarily supplies standard shafts to international golf club brands as part of their standard or economy clubs or to other Taiwanese golf club OEMs. The standard shafts typically bear the brand of the customers. The Company produces/designs standard shafts for a full product line including drivers, wedges and putters for its branded customers.

The Company offers the standard shafts as an OEM or ODM, based on the branded customers' requirements. As an OEM, the Company manufactures the shafts based on the design provided by the customer. As an ODM, the Company will first design the shafts based on the specification provided by the customers. After the customer approves the design, a prototype based on the approved design is made. After the prototype is approved by customer, the Company can start to take orders from the customer. For the year ended December 31, 2023, the standard shafts made up approximately 30% of the Company's revenues.

Because the golf clubs fit with standard shafts are typically priced at a lower price point than the premium clubs, the per unit sale price of standard shafts is typically lower than that of premium shafts. The Company also uses a more cost-efficient manufacturing process for the standard shafts to balance final pass yield and production costs, as compared with premium shafts.

Economy Shafts

Economy shafts are exclusively steel shafts. The Company manufactures and primarily supplies economy shafts to non-branded golf club makers or their OEMs to be assembled in the generic clubs. The Company produces economy shafts for a full product line including drivers, wedges and putters for its non-branded customers.

The non-brand golf club are typically sold in bulk and at competitive pricing points to attract price sensitive golfers. For the year ended December 31, 2023, Economy shafts made up approximately 30% of the Company's revenues. The Company manufactures the economy shafts based on industry standard designs with little customization.

Economy Shafts are made from substantially the same materials as standard shafts, but from a more streamlined production process. Moreover, the quality and inspection standards applied to economy shafts are far more lenient than that for standard shafts. Therefore, the unit sale price of economy shafts is lower than that of standard shafts.

Golf Accessories

The Company sells KBS-branded golf accessories in its online store and in KBS Golf Experience Stores. Accessories include KBS-branded golf apparel, golf bags, vessel bags, putter covers, duffle bags. The Company sources the accessories from other third-party suppliers.

Customary Fitting Services

KBS Golf Experience Stores

The Company operates KBS Golf Experience stores in Carlsbad, California and Tokyo, Japan, which were opened in 2019 and 2020, respectively. The Company is currently planning to open another KBS Golf Experience stores in Taipei, Taiwan later in 2024.

The Company primarily provides new equipment build services and retro-build services for existing clubs through the KSB Golf Experience stores. The new equipment build service allows a customer to custom build a new golf club or set of golf clubs at the customer's customized parameters and specifications. The retro-build service allows a customer to keep the customer's existing club heads and customize all the other parts of a golf club from grip

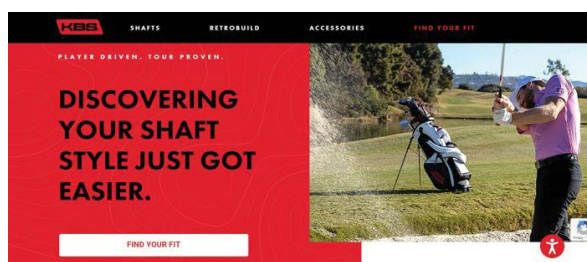
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down to the label. The Company offers exclusive KBS shafts, and other parts of a golf club, including club heads, grip and the label, of other major international brands. In both new build and retrofit processes, customers work one-on-one with the Company's fitters and builders to customize golf clubs tailored to each individual customer's preferences and needs.

The Company's fitters will evaluate a customer's current equipment, performance data, and consult customers regarding their golf game and aspirations on the golf course, in order to determine the appropriate equipment to improve the customer's accuracy and distance on the course. After gaining an initial understanding of the customer's needs, fitters will test different shafts to determine the one that most suits the customer's swing profile, focusing on distance, feel, and shot dispersion among the various shaft options.

Online Fitting Tool

Utilizing the Company's online fitting tool available on the Company's website, Find Your Fit, customers can choose among shafts for irons, wedges, putters, and woods to find the shafts best suited for the customers' playing abilities. Customers can then purchase these shafts on the website and mail their existing clubs to a store for the Company to replace the existing shafts with the newly purchased shafts.



Fittings are offered in many different packages, ranging from: comprehensive full-bag fitting; fitting the entire bag from driver to putter; partial bag fitting; fitting to optimize a specific iron, driver, wedges and/or putter; long-game fitting, focusing on the top portion of the bag to ensure consistent yardage gapping and performance; fairway or hybrid fitting, to optimizing distance gapping and consistency in the long part of the bag; and junior golfer fitting.

Other Services

Restaurant and Bar

The Company operates a restaurant in Chiayi, Taiwan, “Hit Cat Kitchen”, where it sells Western cuisine, and a bar in Taipei, Taiwan “Hit Cat Brewing”, where it sells imported craft beer and wines. The Company's establishments are decorated with KBS merchandise and located near golf resorts, with the aim to introduce and immerse the customers with the KBS brand.

Manufacturing Process

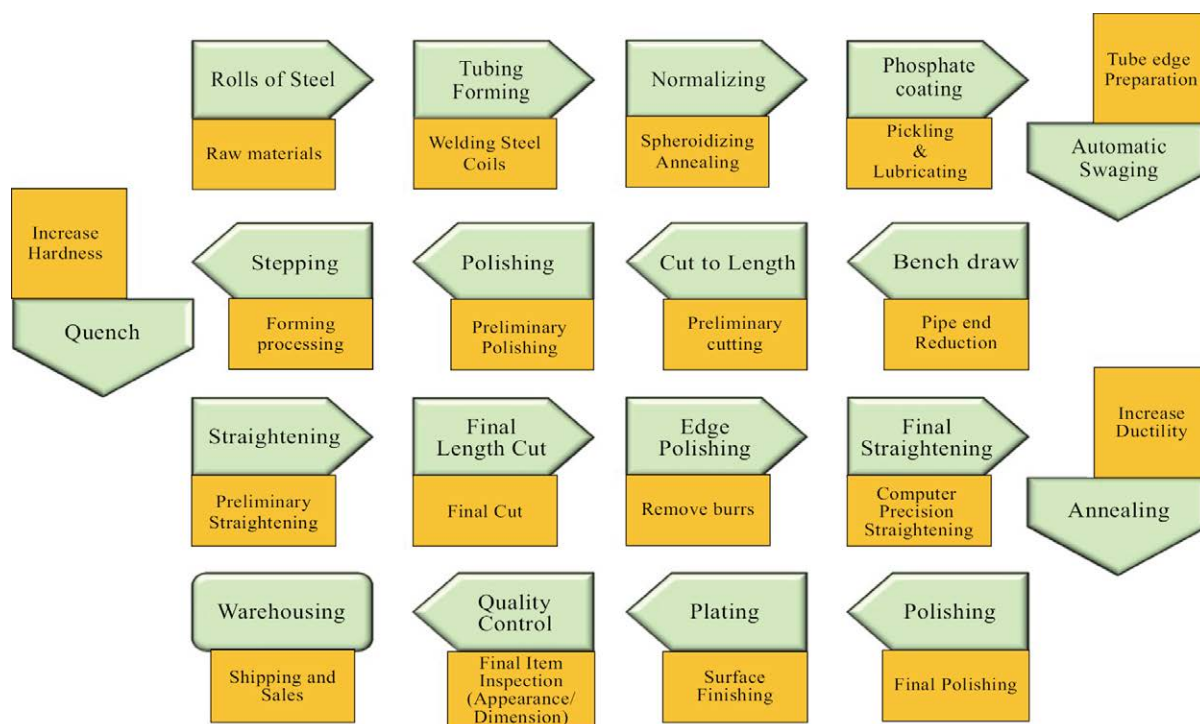
The Company operates at the forefront of golf club shaft manufacturing, with proprietary processing technology for advanced materials such as metal and machine components. The Company's facilities house specialized equipment for making golf club shafts, including blunt furnaces, burn-in furnaces, hydrogen annealing furnaces, straightening furnaces, pipe making machines, and dedicated golf club shaft straighteners. This robust infrastructure reflects the Company's decades-long commitment to manufacturing excellence.

The Company continues to improve its production process, employing and constantly upgrading its self-designed smart manufacturing software to implement automated production, streamline production procedures, shorten the production process, monitor the health and status of repair of production equipment, and reduce manufacturing cost.

The typical manufacturing process of a shaft is illustrated by the flowchart below. The process starts by welding steel coils into tubes, then heating the tubes for a period of time using spheroidizing annealing to improve ductility and relieve stress in order to allow the steel tubes to be further worked. Thereafter, the tubes are coated with phosphate to improve corrosion resistance and lubrication, and then put through an automatic swaging machine to shape the dimensions of the eventual shaft. A draw bench is then used to pull the shaft through a drawing die to shape its ends. Then, the shafts

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are cut for the first time and polished, then tempered through stepping by heating them above a critical temperature then quenched in an oil bath to improve toughness until the temperature becomes uniform throughout the entire length of the shafts, then cooled in air to room temperature. Thereafter the shafts are straightened, polished at the edges to remove burrs, and cut to the final length, put through annealing again, and polished for a final time. Shaft surfaces are then plated in an electroplating machine for the final finish. Finally, quality inspection personnel will examine each manufactured shaft based on the Company's quality criteria, and those that pass are warehoused pending sales.



Supply Chain; Suppliers and Raw Materials

Procurement and Supply Chain

The Company prioritizes strategic purchasing and inventory management to optimize its supply chain. Through regular production-sales meetings, the Company assesses order volumes, market demand, raw material consumption, production schedules, and supplier lead times to determine timely procurement needs. This proactive approach fosters stable supply sources and contracted processing, ensuring uninterrupted operations. No supply shortages or disruptions have occurred during the Company's history.

Main Raw Materials and Suppliers

The Company's golf club shafts utilize a combination of iron, carbon fiber, and various decorative materials (coatings, paints, inks, etc.). These raw materials are primarily sourced from established third-party suppliers in Taiwan, as described further below.

While the Company relies on external suppliers for raw materials used in shaft production, all steel shafts are manufactured in-house. The key materials utilized in the production of steel shafts include:

- Steel Coils
- Nitrogen and Argon
- Abrasive Cloth Wheels and Tape
- Quenching Oil

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- Taper Molding Machine Molds
- Packaging Cartons

The Company engages the following types of suppliers for its business:

- **Steel coil suppliers:** Critical for iron shaft production. The Company has partnered with China Steel Corporation for a stable supply of specialized steel materials.
- **Material suppliers:** Providing additional key materials required for iron shaft production.
- **Contracted processing factories:** Handling production for graphite shafts and metal surface electroplating for steel shafts, a crucial step in ensuring desired appearance.

The Company's procurement policy primarily takes into consideration the Company's operating strategy and inventory levels. Subject to purchase orders and market demand, the Company typically considers the

purchase and consumption of raw materials, production schedule and suppliers' delivery time in order to judge procurement demand and timing. In order to maintain the stability of supply sources and contracted processing, the Company maintains cooperatives relationship with multiple suppliers and processing factories. The Company generally relies on Taiwanese suppliers for the raw materials and service providers for certain specialized aspects of the manufacture, such as electroplating, physical vapor deposition and metal coating.

Certain materials and components may have limited supplier options. However, the Company strategically chooses not to enter into long-term contracts with any supplier, opting for a flexible order-by-order approach. This allows the Company to adapt to market fluctuations and access the best available options at any given time. While this flexibility offers advantages, it also exposes the Company to competitive pressure for raw materials and production capacity. Additionally, the Company has a limited number of manufacturing partners, primarily located in Taiwan and Southeast Asia, who produce specific components for its shafts. The Company recognizes that relying on limited sources for materials or suppliers faces inherent risks. If the Company were to encounter difficulties acquiring essential materials, such as abrasive cloth tape or quenching oil, finding and educating a new supplier on the Company's specific requirements could be a lengthy process. This could potentially disrupt production, impacting the Company's business, financial condition, and operational results.

To mitigate these risks, the Company is actively diversifying its sourcing and manufacturing capabilities. This involves exploring alternative suppliers for critical materials, building relationships with new manufacturing partners, and continuously evaluating the efficiency and reliability of the Company's existing supply chain.

Overall, the Company is committed to proactively managing its supply chain risks through diversification, strategic partnerships, and continuous improvement. The Company believes this approach balances flexibility with resilience, ensuring reliable access to the materials and production capacity needed for continued growth and success.

Supplier for Graphite Shafts

Manufacturing graphite shafts requires sophisticated machinery and manufacturing process to manipulate carbon fiber in accordance with the product design. The Company engages a third-party manufacturer located in Taiwan, who specializes in carbon fiber sport products, to manufacture all graphite shafts for the Company on a purchase order basis. The Company has selected this graphite shafts supplier after considering its industry experience, manufacturing capacity, and per unit production cost. The Company has not experienced any delivery delay or production disruption with this supplier. The Company has not entered into any exclusive arrangement with this supplier, so the Company may select another manufacturer to replace or supplement the production of graphite shafts. The Company typically holds 5 to 6 months of inventory of graphite shafts in reserve in case the Company will need to find a new manufacturer for graphite shafts.

To protect its intellectual property, the Company has also required its graphite shafts supplier and the relevant employees at the supplier to enter into non-disclosure agreements restricting the disclosure or improper use of any design or confidential information that the Company transmits to the supplier when making orders.

The Company periodically reviews its relationship with its graphite shafts supplier, and is actively exploring other manufacturers to diversify supply.

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If there is any production disruption, work stoppage, strike, production delay, or if there is any breach to the non-disclosure agreement, any improper use, disclosure, theft, appropriation of the Company's intellectual property, the business, financial condition, results of operation and prospects of the Company could be materially and adversely affected.

Supplier Stability and Diversification

The Company maintains long-term relationships with most suppliers, fostering strong partnerships. The Company does not utilize formal long-term contracts; its established connections ensure reliable supply. Additionally, for key inputs such as electroplating, the Company maintains multiple qualified supplier options, mitigating potential disruptions.

Sales and Marketing

Leveraging Taiwan's exceptional manufacturing capabilities and cost advantages, the Company's "KBS" brand has gained significant recognition in the U.S. golf industry. Consequently, the Company has evolved from being an OEM for international brands to becoming a seller of high-end shafts for private branded golf clubs and branded golf club heads.

In parallel, under its private brand, KBS, the Company has engaged in OEM contracts for carbon fiber

clubs, expanding its product lines to encompass both iron clubs and carbon fiber clubs. This comprehensive approach addresses customers' preferences for one-stop shopping, significantly enhancing the Company's and brands' capabilities to accept orders and negotiate.

The Company's proactively develops and promotes its private brand, "KBS". In 2008, the Company launched its popular KBS Tour shaft series. The KBS Tour and subsequent KBS C-Taper steel shaft series introduced in 2011 had since then been extensively adopted by professional golfers. Starting in 2017, the Company further launched the KBS Tour Hybrid and TGI graphite series successively, further upgrading KBS brand awareness by expanding its product portfolio into graphite shafts for the first time, resulting in an increase in the adoption of KBS shafts by international golf club brands. The launch in 2020 of the TD Driver graphite shafts series further complemented the Company's product line and was well received by the market.

In recent years, the Company has further strengthened its presence by establishing KBS brand flagship brick-and-mortar stores — the KBS Golf Experience stores — in the two major golf markets of U.S. and Japan. These stores offer golf club customization and fitting services for individual customers, and are equipped with simulation tracking technology, software tools, and data recording systems. By quantifying the performance of golf clubs used on courses and analyzing consumer preferences and swing performance on-site, the Company is able to recommend suitable golf equipment for a wide variety of golfer types. This approach validates customer needs, enhances brand awareness and loyalty, and serves as a valuable reference for product development or improvement, thereby sustaining the Company's product competitiveness.

Customers serviced by the Company can broadly be categorized into four general types: golf equipment companies, OEM companies that manufacture golf equipment for golf equipment brand companies, and golf equipment distributors, as well as individual golf customers serviced by the Company on its website and through KBS Golf Experience Stores.

Currently, the Company has its own field sales representatives in Taiwan, the United States and Japan, primarily covering major corporate clients.

The Company believes that its sales representatives are an integral part of our brand image. They are tasked with key aspects of customer service, including lead discovery, client management, merchandise display, product recommendation, and after-sales return visits.

The Company's field sales agents also cover corporate customers including major international golf club brands, other OEMs, and national distributors. They are tasked with key aspects of sales generation activities, including developing relationship with potential clients, tracking demands of existing clients, attending trade conference to boost brand awareness, hosting event to generate sales leads.

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As of December 31, 2023, the Company employed 32 sales representatives worldwide focused on the sale of shafts.

Research and Development

The core technologies powering the Company's products result from the Company's deep expertise and sustained investment in golf club shaft R&D. The Company prioritizes internal innovation, maintaining full control over its proprietary intellectual property, and reducing reliance on external R&D collaborations.

Leveraging Expertise for High-Performance Shafts

The Company's entry into golf club manufacturing stems from its established expertise in high-precision machining and metalworking, developed within the existing machinery and metal materials business of its major shareholder, Far East Machinery Co., Ltd. This foundational competence translates into a strategic focus on R&D and innovation in metalworking.

The Company has dedicated substantial resources to golf-specific product development.

The Company employs a dedicated R&D team, which had 19 full-time employees as of December 31, 2023, focusing on innovation in shaft design, material composition and manufacturing process.

In addition, the shaft design and development process is overseen by Kim Braly, head of the Design Department of FST America, Inc., who provides the R&D team with valuable insights as a veteran designer. Furthermore, the Company collects feedbacks from the PGA players who uses KBS shafts in their competitions, and tracks customer preferences through online orders and in-person customer fittings at KBS Golf Experience stores. The sales department analyses the data and informs the R&D department any insights generated from data analysis and direct feedbacks, to ensure new products is designed to meet customer demands.

This multi-pronged approach, focusing on internal technological expertise, guidance from the industry veteran, and player-driven insights, has resulted in the Company:

- having the capability of manufacturing high-performance club shafts recognized for their quality and performance;
- becoming a trusted partner for several leading international golf brands;
- earning widespread acclaim for the KBS brand golf club shafts from PGA professionals and amateur players alike;
- maintaining a disciplined product launch schedule. Starting from 2017, with the exception of 2022 due to the impacts of COVID-19, the Company has launched one or more new KBS shaft series on an annual basis, which help enrich the product portfolio and maintain the brand awareness.

By leveraging its proven capabilities and unwavering commitment to R&D, the Company is able to maintain and solidify its position as a leading manufacturer of high-performance golf club shafts in the global market.

Results

The Company's R&D results for the four most recent fiscal years were as follows:

Year	Specific R&D products	Main functions
2023	GPS Graphite Putter Shaft	• Designed as a high balance performance shaft that results in minimizing deflection bend commonly found in traditional steel putter shafts on longer putts, along with better distance control and ensuring the ball starts on its desired line.
2021	KBS Tour Lite PGI Players Graphite Iron	• Complements the product portfolio with lightweight shafts. • Provides increased spin, higher launch, and enhanced distance for a variety of swing speeds.
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Year	Specific R&D products	Main functions
2020	KBS CT Putter 2.0	• Refined version of the CT Putter with modified center of gravity for wider appeal to different players. • Improved putter feel and responsiveness.
	KBS ONE Step Putter	• Delivers distinct hitting feedback and stabilizes the putting stroke. • Unique printed shaft design offers a fresh take on putter performance.
2019	KBS Tour Driven Driver/Wood	• Retains the characteristics of the original KBS feel, efficiency, and optimization of spin and launch that the KBS product line is known for. • A Mid Launch/Low Spin Performance Graphite golf club shaft that optimizes the maximum performance and efficiency of spin and launch angles at various swing speeds.

Focus on Diverse Range of Products and Process Improvements

The Company remains committed to balancing shaft weight with optimal control, using the Company's proprietary torque and center of gravity matching technology. This innovative approach allows the Company to achieve both enhanced impact control and increased shot distance in its shafts, without compromising on shaft weight. This approach led to the development of a diverse range of shafts catering to players seeking uncompromising performance and accuracy.

Furthermore, the Company embraces cutting-edge technologies to optimize its production processes and maximize efficiency. By utilizing IoT sensors, the Company collects real-time data on production information and energy consumption. This data is then analyzed using machine learning algorithms to monitor equipment health and identify potential issues. This proactive approach allows the Company to:

- implement process improvements to optimize production efficiency.

- identify opportunities for new equipment investment.
- maintain a high level of product quality and consistency.

By combining the Company's innovative shaft design technologies with these advanced production optimization tools, the Company aims to continuously improve production efficiency and product quality. This focus on operational excellence ultimately drives increased profitability and long-term growth.

Competition

The Company competes in a global market for golf club shafts. Its major global competitors for premium golf club shafts include established brands such as True Temper and Nippon Shaft. The Company also faces competition from other Taiwanese manufacturers in the standard and economy shafts segment. In the premium shaft segment, the Company primarily competes on build quality, manufacturing capacity, product diversification, technical innovation, brand prestige and competition results. In the standard and economy shaft segment, the Company primarily competes on manufacturing capacity, pricing and product safety.

The Company differentiates itself through its vertically integrated business model, encompassing both manufacturing and brand promotion. This allows it to compete effectively with other global and local competitors in terms of:

- *Production Technology:* The Company possesses advanced manufacturing capabilities and technology, enabling consistent quality and efficiency.
- *R&D and Innovation:* Dedicated R&D efforts ensure a steady stream of new products and rapid development cycles.

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- *Mass Production Capacity:* The Company's production facilities in Taiwan offer a competitive advantage in terms of cost and efficiency as compared to True Temper in the U.S. and Nippon Shaft in Japan.
- *Global Market Focus:* The Company prioritizes the U.S. market, the largest globally, while also actively exploring other regions.

Seasonality

Historically speaking, in general, driven by the large international exhibitions such as the PGA Merchandise Show and the beginning of new golf season, the Company's sales in the first quarter of a year are typically higher than the other quarters. The Company's second-quarter sales are primarily impacted by the weather conditions, which affects the length of golf season and the number of discretionary purchases made by golfers. Third-quarter sales are generally less than the second quarter as many retailers begin decreasing their inventory levels in anticipation of the end of the golf season. Fourth-quarter sales are generally less than the other quarters due to the end of the golf season in the Company's current key markets.

However, this seasonality has been significantly reshaped in recent years. The COVID-19 pandemic initially disrupted these patterns by depressing demand in 2020 and 2021. The easing in travel restriction and the rising popularity of golf among millennials help sustain heightened demand for golf equipment throughout 2022. The Company expects that due to increasing geopolitical tension, global economy slowdown and rising inflation rates, the demand for golf equipment will revert to the traditionally observed seasonality pattern.

Facilities

The Company has historically leased all of its office and plant facilities. In 2023, the Company purchased land and buildings located in Minxiong Township of Chiayi County, Taiwan to serve as the site of its future factory expansion.

The Company's corporate headquarters are located at No. 3, Gongye 1st Rd., Minxiong Township, Chiayi County 621018, Taiwan, where it leases an office with 30,760 square meters pursuant to a lease agreement that is in effect until December 31, 2024. The corporate headquarters primarily contain administrative, factory plant, and warehouse functions. The Company also maintains an administrative office at 17F.-108, No. 97, Songren Rd., Taipei City 110050, Taiwan, where it leases an office with 11.4 square meters pursuant to a lease agreement that is in effect until July 31, 2024.

The Company leases premises located at 11F.-BD113, No. 260, Sec. 2, Bade Rd., Taipei City 104101, Taiwan, pursuant to a lease agreement in effect until August 1, 2024, which serves as a warehouse. The Company

also has leased warehouse premises located at 4F., No. 56, Ln. 48, Xingshan Rd., Taipei City 114066, Taiwan.

The Company leases premises at No. 7, Ln. 71, Hui'an St., Minxiong Township, Chiayi County 621016, Taiwan; at No. 152, Lide St., Minxiong Township, Chiayi County; at No. 557-103, Touqiao, Minxiong Township, Chiayi County, 22F.; at No. 132, Lide St., Minxiong Township, Chiayi County 621016, Taiwan; at No. 78, Lide St., Minxiong Township, Chiayi County 620106, Taiwan; at No. 190, Sec. 2, Zhongcheng Rd., Taipei City 110108, Taiwan with 198.35 square meters with parking spaces pursuant to a lease agreement that is in effect until June 30, 2025; and at 2F.-1, No. 790-12, Zhongxiao Rd., Chiayi City 600052, Taiwan with 75.5 square meters with parking spaces pursuant to a lease agreement that is in effect until May 15, 2024, all of which serve as employee dormitories.

In the U.S., the Company leases premises at 1801 13th Street, Suite 306, Boulder, Colorado 80302, U.S. with 250.35 square meters pursuant to a lease agreement that is in effect until June 1, 2025, which serves as the headquarters of FST America. The Company also leases office premises at 6186 Innovation Way, Carlsbad (San Diego) California, U.S. with 200.66 square meters pursuant to a lease agreement that is in effect until May 1, 2027. U.S. warehouse premises are located at 7142 Belgrave Ave, Garden Grove, California 92841, U.S. with 2,611.58 square meters of space, which is subject to a lease agreement that is in effect until June 30, 2025. The U.S. KBS Golf Experience store is located at 2622 Gateway Road, Suite 115, Carlsbad, California 92009, U.S., with 344.53 square meters of space and is subject to a lease agreement that is in effect until April 30, 2024.

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In Japan, the Company leases premises at 1-26-9 Jiyugaoka, Kuroku-ku, Tokyo, Japan, with 295.82 square meters pursuant to a lease agreement that is in effect until November 30, 2026, which serves as the headquarters of FST Japan and is also the location of the KBS Golf Experience store in Japan. Warehouse premises are located at 375, 378-2, 371 Nakanoshima, Ukizuka, Yashio City, Saitama Prefecture, Japan, with 742.55 square meters of space, which is subject to a lease agreement that is in effect until October 31, 2024.

The Company believes that its current facilities are adequate to meet its immediate needs and that, should it be needed, additional space will be available on commercially reasonable terms to accommodate any expansion of the Company's operations.

Employees and Human Capital

As of December 31, 2023, the Company had 405 full-time employees, engaging in functions including administration, management, manufacturing, sales and marketing and research and development. The chart below describes the distribution of employees by function. None of the Company's employees are represented by a labor union or covered by a collective bargaining agreement. The Company considers its relationship with employees to be good. To date, the Company has not experienced work stoppages, strikes, or any disputes with its employees.

The following table sets forth the number of the Company's employees categorized by function as of December 31, 2023.

Employee Number Function	Total
Manufacturing	258
Management	30
Administrative	16
Sales and Marketing	82
Research & Development	19
Total	405

Intellectual Property

The success and competitive edge of the Company are dependent on its capacity to develop and safeguard core technologies and intellectual property. The Company's existing products are powered by independently developed technologies, drawing upon its rich history of production and R&D expertise. This commitment to internal innovation allows the Company to maintain control over its intellectual property and deliver solutions that cater to specific market demands. From 2008 to 2016, the operations of KBS brand in the U.S. market was managed by a distributor controlled by our chairman, which also owned the trademarks of KBS brand. In 2016, to consolidate the business of the Company, the distributor transferred all registered KBS brand trademarks to the Company, and the Company purchased the inventories of KBS products and work capital held by such distributor for approximately U.S.\$3.6 million. In 2017, the Company agreed to pay to the distributor U.S.\$6.5 million for the KBS brand trademarks transferred to the Company.

The Company has submitted trademark applications to further bolster these rights and enhance its ability to defend against third parties. Moreover, the Company secures its proprietary rights through agreements with business partners, supply chain vendors, employees, and consultants, alongside vigilant monitoring of industry trends and product developments.

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As of December 31, 2023, the Company owns the following trademarks worldwide:

No.	Mark	Registration No.	Country	Class	Status	Expiration Date
1.	KBS TOUR FLT	5061066	U.S.	—	Valid	2026/10/11
2.	MAX KBS	5392399	U.S.	—	Valid	2028/01/30
3.	KBS	4827173	U.S.	—	Valid	2025/10/06
4.	KBS Tour-V	4617537	U.S.	—	Valid	2024/10/07
5.		4070642	U.S.	—	Valid	2031/12/13
6.	KBS TOUR	4070640	U.S.	—	Valid	2031/12/13
7.		3395741	U.S.	—	Valid	2028/03/11
8.	KBS Tour C-Taper	5299259	U.S.	—	Valid	2027/10/03
9.	KBS TOUR \$-TAPER	5365863	U.S.	—	Valid	2027/12/26
10.	Player Driven. Tour Proven.	5617390	U.S.	—	Valid	2028/11/27
11.	KBS TGI	5667276	U.S.	—	Valid	2029/01/29
12.	KBS Tour S-Taper	6180434	U.S.	—	Valid	2030/10/20
13.	KBS TOUR ONE STEP	6335645	U.S.	—	Valid	2031/04/27
14.	KBS PGI	6541087	U.S.	—	Valid	2031/10/26
15.	ONE STEP	6594923	U.S.	—	Valid	2031/12/21
16.	ONE STEP KBS TOUR	6594924	U.S.	—	Valid	2031/12/21
17.	KBS Tour GPS	—	U.S.	—	Pending	—

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No.	Mark	Registration No.	Country	Class	Status	Expiration Date

18.		02131402	Taiwan	032	Valid	2031/03/31
19.	HIT CAT BREWING	02131403	Taiwan	032	Valid	2031/03/31
20.		02131434	Taiwan	033	Valid	2031/03/31
21.	HIT CAT BREWING	02131435	Taiwan	033	Valid	2031/03/31
22.	打酒廠	02144845	Taiwan	032	Valid	2031/05/31
23.	 打貓酒廠 HIT CAT BREWING	02144846	Taiwan	032	Valid	2031/05/31
24.	打酒廠	02144885	Taiwan	033	Valid	2031/05/31
25.	 打貓酒廠 HIT CAT BREWING	02144886	Taiwan	033	Valid	2031/05/31
26.		02066064	Taiwan	032	Valid	2031/06/15

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No.	Mark	Registration No.	Country	Class	Status	Expiration Date
27.		02066065	Taiwan	032	Valid	2030/06/15
28.		02066093	Taiwan	033	Valid	2030/06/15
29.		02066094	Taiwan	033	Valid	2030/06/15
30.	 打貓精選 HIT CAT SELECTION	02246940	Taiwan	032	Valid	2032/08/31
31.	 打貓廚房 HIT CAT KITCHEN	02246941	Taiwan	032	Valid	2032/08/31
32.	HIT CAT SELECTION	02246942	Taiwan	032	Valid	2032/08/31

33.	HIT CAT KITCHEN	02246943	Taiwan	032	Valid	2032/08/31
34.	 打貓精選 HIT CAT SELECTION	02246992	Taiwan	033	Valid	2032/08/31

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No.	Mark	Registration No.	Country	Class	Status	Expiration Date
35.	 打貓廚房 HIT CAT KITCHEN	02246993	Taiwan	033	Valid	2032/08/31
36.	HIT CAT SELECTION	02246994	Taiwan	033	Valid	2032/08/31
37.	HIT CAT KITCHEN	02246995	Taiwan	033	Valid	2032/08/31
38.	 打貓廚房 HIT CAT KITCHEN	02248053	Taiwan	043	Valid	2032/08/31
39.	HIT CAT KITCHEN	02248054	Taiwan	043	Valid	2032/08/31
40.		02248055	Taiwan	043	Valid	2032/08/31
41.		02307325	Taiwan	018	Valid	2033/07/15
42.		02307515	Taiwan	025	Valid	2033/07/15
43.		02307577	Taiwan	028	Valid	2033/07/15
44.		02307326	Taiwan	018	Valid	2033/07/15

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No.	Mark	Registration No.	Country	Class	Status	Expiration Date
45.		02307516	Taiwan	025	Valid	2033/07/15
46.		02307578	Taiwan	028	Valid	2033/07/15
47.	FST	5890920	Japan	028	Valid	2026/10/21
48.	KBS PGI	6407907	Japan	028	Valid	2031/06/25
49.	KBS TGI	6359864	Japan	028	Valid	2031/03/05

50.	KBS TOUR	5499758	Japan	028	Valid	2032/06/08
51.	KBS TOUR (colored logo)	5499757	Japan	028	Valid	2032/06/08
52.	KBS TOUR (in color)	5180886	Japan	028	Valid	2028/11/14
53.	KBS TOUR GPS	6713426	Japan	028	Valid	2033/06/30
54.	KBSTOUR Hi Rev	5320546	Japan	028	Valid	2030/04/30
55.	MAX KBS	6184490	Japan	028	Valid	2029/09/27
56.	ONE STEP KBS TOUR	6457407	Japan	028	Valid	2031/10/15
57.	KBS	018464900	EU	024, 028	Valid	2031/05/03
58.	KBS TOUR GPS	018868062	EU	028	Valid	2033/04/27
59.	ONE STEP	018511596	EU	028	Valid	2031/07/13
60.	ONE STEP KBS TOUR	018511605	EU	028	Valid	2031/07/13
61.	KBS	UK00003636327	UK	024, 028	Valid	2031/05/04
62.	ONE STEP	UK00003667960	UK	028	Valid	2031/07/13
63.	ONE STEP KBS TOUR	UK00003667973	UK	028	Valid	2031/07/13

As of December 31, 2023, the Company owns the following patents worldwide:

No.	Patent No.	Application Date	Issue Date	Patent Name	Patent Duration
1	M639659	2022/10/20	2023/4/11	進料裝置 Material-feeding device	2023/04/11 – 2032/10/19
2	M639660	2022/10/20	2023/4/11	出料裝置 Discharging apparatus	2023/04/11 – 2032/10/19

Government Regulation

The Company is subject to various Taiwanese and Japanese laws and regulations as well as U.S. federal and state laws. Many of these laws and regulations are still evolving and being tested in courts, and could be interpreted in manners that could harm the Company's business.

General Regulations Applicable to the Company's Business

Regulations on Company Establishment

The establishment, operation and management of companies in Taiwan is governed by the Taiwan Company Act, which was latest amended on December 29, 2021. There are four types of companies in Taiwan: unlimited company, unlimited company with limited liability shareholders, limited company and company limited by shares. Unlimited company and unlimited company with limited liability shareholders are rarely used in practice; a company limited by

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shares is the most common form of business undertaken for foreign investors in Taiwan. The Taiwan Company Act applies to both Taiwan domestic companies and foreign-invested companies, unless otherwise provided in the relevant foreign investment laws and regulations.

The Company is a company limited by shares, and the Company has been current with its corporate filings with the Administration of Commerce, Ministry of Economic Affairs, Taiwan.

Regulations on Foreign Investment

The principal regulations governing foreign investments in Taiwan are the Statute for Investment by Foreign Nationals, the Regulations for Verification of Investment by Overseas Chinese and Foreign Nationals, and the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals. In order to efficiently provide services and manage foreign investments, Taiwan government has specifically established the Taiwan Investment Commission.

All investments made by foreign nationals within the territory of Taiwan must comply with the provisions of the Statute for Investment by Foreign Nationals and receive permission from the Taiwan Investment Commission. According to the administrative ordinance “Negative List for Investment by Overseas Chinese and Foreign Nationals” issued by the Taiwan Investment Commission, Taiwan maintains a negative list of industries closed to foreign investment because the authorities assert relate to national security and environmental protection, including public utilities, power distribution, natural gas, postal service, telecommunications, mass media, and air and sea transportation. Except for certain specific sensitive activities, foreign investments in a Taiwan listed company are generally not restricted in Taiwan but are subject to the prior approval from the Taiwan Investment Commission if a foreign investor wants to acquire 10% or more of the shares of a Taiwan listed company. The approval must be obtained before the final completion of the transaction.

Regulations on Mergers and Acquisitions

The main laws and regulations governing merger and acquisition (“**M&A**”) activities in Taiwan are the Merger and Acquisition Act, the Company Act, the Securities and Exchange Act and the Fair Trade Act.

The competent authority in charge of the regulations in relation to M&A is the Ministry of Economic Affairs. The main regulatory body in charge of public M&A transactions is the Securities and Futures Bureau of the Financial Supervisory Commission, the government agency in charge of public companies. Other relevant regulatory bodies include the Fair Trade Commission, the authority in charge of antitrust clearance, and the Taiwan Investment Commission, the authority in charge of reviewing foreign and PRC investments. If a participating company to a transaction holds any special license, the transaction may also be subject to the review of the authority in charge of such special license.

Regulations on Building Construction and Use

Under the Building Act, a building license required for new construction, extension, reconstruction or repair of buildings. A usage license is required for usage. When alterations of usage occur after a building is constructed, such as in alterations of usage class, structure, fire-protection facilities, and parking spaces or other alteration to the originally approved usage, a usage alteration license shall be applied for.

Further, under the Building Act, users of public buildings shall entrust professional institutions or persons recognized by the central construction authority to perform inspection and attestation periodically. Such inspection and attestation results shall be reported to the authority.

The Company has never been sanctioned for violations of the Building Act.

Regulations on Intellectual Property Rights

Patent Protection

Pursuant to the Patent Act, amended on May 4, 2022, there are three types of patents in Taiwan: invention patents, utility model patents, and design patents, the respective patent terms of which are 20, 10, and 15 years, all calculated from the filing date of a patent application, while the patent rights are actionable from the issue date of the patent.

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In terms of the infringement disputes of a patent, the civil division of the Intellectual Property and Commercial Court (“**IP Court**”) hears civil actions relating to patent infringement. If the defendant of an infringement action challenges the validity of the disputed patent as a defense, the civil division will deal with the infringement and validity issues simultaneously. However, any person who intends to invalidate the disputed patent in all aspects must file revocation proceedings (invalidation action) with the Taiwan Intellectual Property Office (“**TIPO**”). Decisions of the TIPO in an invalidation action can be appealed to the Ministry of Economic Affairs, and subsequently to the IP Court by way of filing an administrative lawsuit.

The Company has never been involved in patent-related disputes.

Copyright

The Copyright Law provides that original copyrightable works shall enjoy exclusive rights automatically upon their completion, with no form of registration required. The competent authority for the application and registration of trademarks is the TIPO under the Ministry of Economic Affairs. A copyrighted work is protected throughout the author’s lifetime and 50 years after.

As a copyright holder, when enforcing a copyright, bears the burden of proving the copyright ownership

(and sometimes even the creation time of the copyright, if such issue is being raised), it is recommended to preserve relevant evidence by having it notarized by a notary public. For important copyrighted work, it is recommendable to obtain a copyright certificate issued by a copyright owners' organization so as to serve as prima facie evidence of the completion and ownership of the copyright. However, it is important to note that such private organizations do not and cannot conduct any substantive examination of the copyrightability of a work. Therefore, when a work's copyrightability is being challenged, only a court will have a final say over such dispute on a case-by-case basis.

The Company has never been involved in copyright-related disputes.

Trademarks

Trademark rights in Taiwan are governed by the Trademark Act. The competent authority for the application and registration of trademarks is the TIPO. Types of protection include trademarks, certification marks, collective membership marks and collective trademarks. The trademarks which were registered are protected for 10 years from publication in the Trademark Gazette. This term may be extended successively every 10 years via application for renewal.

The Company has been involved in one trademark dispute. A Taiwan company filed a trademark opposition with TIPO in August 2023 objecting to the registration of the Company's FST trademarks in Taiwan (Registration Numbers 02307326, 02307516, and 02307578). This matter is still ongoing. The Company is of the view that this matter would have minimal impact to its business, as the Company also has validly registered FST trademarks in the U.S. and most of the Company's sales are generated from the U.S. and countries other than Taiwan.

Trade Secrets

The Taiwan Trade Secret Act mainly governs the following items: (1) the required elements of a trade secret; (2) ownership of a trade secret; (3) the licensing of a trade secret; (4) misappropriation of a trade secret; (5) the civil remedy and criminal penalty for the misappropriation of a trade secret; (6) the issuance of a protective order during criminal investigation. Pursuant to the Trade Secret Act, the information that can be protected under the Trade Secret Act is defined as any method, technique, process, formula, program, design, or other information that may be used in the course of production, sale or operation, and must meet the following requirements: (1) secrecy; (2) economic value; and (3) reasonable measures to maintain secrecy. Under the Trade Secret Act, the types of misappropriation include acquisition, use and divulging of a trade secret by unlawful means. The Trade Secret Act provides civil remedies and criminal penalties for trade-secret misappropriation.

The Company has never been involved in trade secrets issues or disputes.

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Regulations on Personal Data Protection

Under Taiwan law, the Personal Data Protection Act is the main law governing personal data protection. Under the Personal Data Protection Act, unless otherwise specified, a company is generally required to give notice to and obtain consent from an individual before collecting, processing, or using any of the said individual's personal information, subject to certain exceptions.

Pursuant to the Personal Data Protection Act, the personal data pertaining to a natural person's medical records, healthcare, genetics, sex life, physical examination and criminal records is classified as sensitive personal data, which shall be subject to certain stricter obligations.

In addition to the Personal Data Protection Act, when conducting the clinical trial, the sponsor and the investigator shall also comply with other relative regulations or practices with regard to the protection of the subject's personal data, such as the Human Subjects Research Act and the Regulations on Human Trials.

The Company is currently implementing a cookie policy and a data protection privacy policy for collecting personal information on the KBS website (kbsgolfs shafts.com) and in its stores.

Regulations on Environmental Protection

The Basic Environment Act is the main environmental law in Taiwan. In addition, other regulations in Taiwan regulate each type of pollution by a different set of regulations, including the Soil and Groundwater Pollution Remediation Act, the Waste Disposal Act, the Air Pollution Control Act, the Water Pollution Control Act, and Toxic and Concerned Chemical Substances Control Act. The competent authority governing the environmental regulations is the Ministry of Environment. Failure to comply with such regulations may result in fines and other administrative sanctions.

As the Company's factory is located within the Chiayi County, Taiwan, the Company is directly under the supervision of the Environmental Protection Bureau of Chiayi County, Taiwan for its environmental compliance. During its business history, the Company has been generally compliant with environmental laws and regulations. There was one instance in 2022 where the Environmental Protection Bureau, Chiayi County had instructed the Company to make certain improvements on pollution prevention, which the Company had successfully addressed and implemented. Currently, the Company consistently reports to the relevant authority and has maintained effective approval status for its industrial waste disposal plan and its water use/wastewater discharge plan pursuant to the Waste Disposal Act, the Air Pollution Control Act, and the Water Pollution Control Act. All related industrial waste is handled by qualified waste disposal contractors in compliance with Taiwan local regulations.

Regulations on Foreign Currency Exchange

The principal regulation governing foreign currency exchange in Taiwan is the Foreign Exchange Regulation Act, amended on April 29, 2009. Pursuant to the Foreign Exchange Regulation Act, Taiwan Dollars amounting under the amount of NTD 500,000 are freely convertible no matter what transaction they are in relation with. On the other hand, the transactions involving NTD 500,000 or more or its equivalent in foreign currency shall fulfill certain obligations as provided in the Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions.

Under the Regulations Governing the Declaration of Foreign Exchange Receipts and Disbursements or Transactions, for those foreign exchange transactions which amounts of NTD 500,000 or more and relates to the sales of goods or provision of services, such transaction shall be declared through filing a declaration statement. For those foreign exchange transactions which are not related to the sales of goods or provision of services by a company, ranging from NTD 500,000 to U.S.\$50 million, such transaction shall be declared through filing a declaration statement, and providing supporting documents, such as contracts or letters of approval, to the bank. For those foreign exchange transactions by a company, which are not related to the sales of goods or provision of services, amounting more than USD 50 million, such transaction shall be declared through filing a declaration statement, providing supporting documents to the bank, and obtaining the approval of the Central Bank of Taiwan.

Though Taiwan government has promulgated the Regulations Governing Foreign Exchange Control on July 2, 1997, pursuant to the Foreign Exchange Regulation Act, the requirements for the government to implement those foreign exchange control measures should be subject to either of the following conditions: (1) when the domestic or

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foreign economic disorder might endanger the stability of the domestic economy; and (2) when this country suffers a severe balance of payments deficit. From the past history, Taiwan government only implemented those foreign exchange control measures once in 1997 during the Asian Financial Crisis.

Regulations on Dividend Distribution

The principal regulations governing dividend distribution is the Company Act. Pursuant to the Company Act, a Taiwan company may not pay dividends unless its losses have been covered and statutory reserve funds, equaling 10% of a company's after-tax net profits, have been set aside. However, in the event that a company's statutory reserve funds have reached the total amount of the company's capital, the company does not need to set aside any amounts for its statutory reserve funds. If a company has no net profits, in principle, it may not pay dividends.

Regulations on Employee Stock Incentive Plan

The principal regulations governing dividend distribution is the Company Act. Pursuant to the Company Act, a Taiwan company may choose to implement the employee stock incentive plan through five kinds of strategies: (1) employee stock compensation, (2) employee stock option certificates, (3) employee subscription of new shares using cash as consideration, (4) treasury shares transferred to employees, (5) employee restricted share units. After the amendment of the Company Act on August 1, 2018, transferring a company's stocks to the employees of the company's parent company or its subsidiaries under the employee stock incentive plan is also permitted by law.

Regulations on Employment and Social Insurance

The labor law in Taiwan is regulated mainly by the Labor Standards Act, last amended on June 10, 2020. The Labor Standards Act governs the terms and conditions of employment such as working hours, holidays, rest periods, wages, overtime, leave, and termination of employment. According to Labor Standard Act, an employer

is required to reach an agreement on salary with the employees, in which the agreed salary shall meet with the minimum amount set by the competent authority. Violations of the Labor Standards Act may result in fines and other administrative sanctions, and serious violations may result in criminal liabilities.

In order to protect workers' safety and health and to prevent occupational accidents, the employers in Taiwan are also required to comply with the Occupational Safety and Health Act. According to the Occupational Safety and Health Act, the employer shall arrange safety equipment to prevent any emergency. In addition, the employer shall provide safety education and trainings for the employees which shall enable the employees to protect themselves when any accident occurs.

Taiwan governmental authorities have passed a variety of laws and regulations regarding social insurance and employee's pension from time to time, including, among others, the Labor Insurance Act, the National Health Insurance Act, the Labor Pension Act, and the Employment Insurance Act. Pursuant to these laws and regulations, Taiwan companies must make contributions at specified levels for their employees to the relevant social insurance and pension funds. Failure to comply with such laws and regulations may result in various fines and legal sanctions.

The Company has generally been compliant with all requirements under the aforementioned labor laws and regulations. There were several instances of minor sanctions where the Company had been required by the Occupational Safety and Health Administration of the Ministry of Labor to rectify certain potential working condition hazards and practices and was subject to minor fines, although all of these issues had been quickly addressed and rectified by the Company. The Company has not experienced any lawsuits or disputes with its employees that became subject to administrative review of the Taiwan Labor Bureau or ended in litigation.

Regulations on Taxation

According to the Taiwan Income Tax Act, a company incorporated in Taiwan is a Taiwan tax resident and will be subject to 20% corporate income tax on its worldwide income. A non-resident company will be subject to 20% corporate income tax on its Taiwan-sourced income. If a resident company does not distribute its financial earnings generated in a year to its shareholders by the end of the following year, a surtax of 5% would be imposed on the undistributed earnings.

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Effective from 2020, the Taiwan Statute for Industrial Innovation was amended, which extends the tax incentive by 10 years until December 31, 2029, for R&D expenditure. Under the tax incentive program, a company conducting qualifying R&D activities may select one of the following incentives: (i) up to 15% of qualifying R&D expenses may be credited against corporate income tax payable in the current year; or (ii) up to 10% of qualifying R&D expenses may be credited against corporate income tax payable in the year expenses incurred and carried forward for the next 2 years. In addition, if a company uses NTD 1 million or more of its undistributed earnings to construct or purchase buildings, software or hardware equipment, or technology for use in production or operation within 3 years from the year after such earnings are derived, such investment amounts may be deducted from the undistributed earnings in calculation of the current year's undistributed earnings for assessment of surtax imposed on undistributed earnings from the year 2018.

The alternative minimum tax ("AMT") imposed under the R.O.C. Income Basic Tax Act is a supplemental income tax which applies if the amount of regular income tax calculated pursuant to the Taiwan Income Tax Act and relevant laws and regulations is below the amount of basic tax prescribed under the Taiwan Income Basic Tax Act. The taxable income for calculating AMT includes most income that is exempt from income tax under various legislations, such as capital gains from qualified securities and future transactions. The prevailing AMT rate for business entities is between 12% to 15%, which is determined by the Executive Yuan based on the economic circumstance.

According to the Taiwan Income Tax Act, a withholding tax rate of 21% shall generally be applicable to dividends distributed to non-Taiwan resident enterprise/individual investors. The withholding tax on the dividends may be reduced pursuant to a tax treaty between Taiwan and the jurisdictions in which the non-Taiwan shareholders reside. Taiwan currently has a treaty network with 34 countries.

Regulations Pertaining to the Company's Products

The Company's current product portfolio does not require any mandatory government approval prior to commercial product launch under the existing laws and regulations in Taiwan, Japan, the U.S., or Europe.

However, in order to become eligible to become a supplier for golf club shaft products to golf brand companies and OEM/ODMs, there are industry quality standards which the Company's customers require the Company to attain, as follows:

ISO 9001:2015 specifies requirements for a quality management system when an organization needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements. The Company has attained ISO 9001:2015 certification for the design, manufacture, processing, and sale of golf club shaft products. The certification is valid until August 14, 2025.

For the import of crafted beer and wine product, the Company should comply with the requirements of the Tobacco and Alcohol Administration Act of Taiwan. An alcohol-importing company shall apply to National Treasury Administration, Ministry of Finance of Taiwan for a permit to import alcohol. After obtaining the import permit, the applicant should indicate alcohol importation as part of its business scope on its business registration, then apply for issuance of an alcohol importer license. No permit is required for the retail of alcohol. However, the retailer of alcohol should indicate the retail on its business registration. Currently, the Company possesses a valid alcohol import license.

Legal Proceedings

The Company is not currently a party to legal or government proceedings that may be, individually or collectively, materially adverse to its ability to conduct its businesses as they are currently conducted. From time to time, the Company may become subject to various legal proceedings and claims that arise in the ordinary course of its business activities. Although the results of litigation and claims cannot be predicted with certainty, any such future litigation could have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

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COMPANY MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis ("MD&A") provides information which Group's management believes is relevant to an assessment and understanding of the Group's consolidated results of operations and should be read in conjunction with the Group's audited annual consolidated financial statements and notes as of and for the years ended December 31, 2023 and 2022 are included elsewhere in this Registration Statement/Proxy Statement. The financial statements, including the comparative figures, were prepared in accordance with U.S. GAAP. This MD&A contains forward looking information based on the Group's current expectations and projections. For information on the material factors and assumptions underlying such forward-looking information, refer to the "Cautionary Note Regarding Forward Looking Statements" and "Risk Factors" sections in this Registration Statement/Proxy Statement. All financial information included in this MD&A is presented in New Taiwan dollars, unless otherwise noted. Certain dollar amounts have been rounded to the nearest million dollars or thousand dollars, as noted, and tables may not add due to rounding. In this section, "FST" or the "Group," refers to Femco Steel Technology Co., Ltd. and its subsidiaries, FST America, Inc. and FST Japan.

Company Overview

Femco Steel Technology Co., Ltd., is a renowned manufacturer and innovator in the golf industry with a growing portfolio of innovative golf products, including acclaimed golf club shafts and other equipment. Founded in Taiwan in 1976 and commencing golf club shaft manufacture in 1992, the Company has spent more than three decades meticulously crafting high-performance shafts for golfers worldwide.

Since 1992, the Company has engaged in the research and development, manufacturing and sales of golf club shafts. The Company currently produces and sells golf club shafts under the Company's own high-performance "KBS" golf club shaft brand, and serves as an original equipment manufacturer (OEM) and original design manufacturer (ODM) for other world-renowned golf equipment brands, golf equipment OEMs, and golf equipment distributors that provide consumers with customized golf club services. The Company also develops its retail presences in the U.S. and Japan markets through its KBS Golf Experience stores, which provide retail customers new equipment build services and retro-build services for existing clubs.

In 2007, the Company first used the "KBS" brand as a part of broader initiatives to transition from an OEM for other international golf brands to an operator of an independent and competitive brand. The development of KBS brand is led by renowned designer Kim Braly.

The Company first introduced its KBS brand into the U.S. market through its presence in the PGA tour in 2008. Since its launch, the Company continuously cultivated the KBS brand through the launch of golf shaft series that are well respected by the golf community: KBS Tour shaft series in 2008, KBS C-Taper steel shaft series in

2011, KBS Tour Hybrid series in 2017, KBS Tour-TGI graphite series in 2018 and KBS TD Driver graphite shafts series in 2020. Through the expansion of its product lines to encompass both steel club shafts and carbon fiber club shafts, the Company believes that this comprehensive approach addresses customers' preferences for one-stop shopping, significantly enhancing the Company's and brands' capabilities to accept orders and negotiate. Since 2016, the Company has supplied golf shafts directly to PGA players. This initiative allows PGA players to test the shafts and participate in competitions using them, and opens up a pathway for the Company to collect feedback from professional players. Close interactions with the top professional players also provide the Company with opportunities to market its KBS shafts. Since 2016, the Company has assumed brand management responsibilities by directly providing golf shafts to PGA players. As of December 31, 2023, 27 PGA players were using KBS brand shafts in their professional competitions. Propelled by the professional endorsement and high market visibility, the Company has successfully evolved from being an OEM for international brands to a trusted provider of golf shafts under its proprietary brand "KBS".

To further raise the brand awareness and directly connect with customers, the Company has established the KBS Golf Experience stores in the U.S. and Japan, located in Carlsbad, California and Tokyo, Japan, respectively. These stores offer golf club customization and fitting services for individual customers, and are equipped with simulation tracking technology, software tools, and data recording systems. By quantifying the performance of golf clubs used on courses and analyzing consumer preferences and swing performance on-site, the staffs are able to recommend suitable

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golf equipment for golfers of different age, gender, and experience level. The Company believes the direct interactions with customers will enhance brand awareness and loyalty. Feedback from customers serves as valuable reference points for future product development, which, in turn, helps sustain the competitiveness of the Company's products.

The Company believes that it will be able to continue improve the competition positioning by adhering closely to consumer demand, augmented by strong brand development efforts, a comprehensive product line, and online and offline sale touch points.

Key Factors Affecting Operating Results

The Group believes its performance depends on several factors that present significant opportunities for it but also pose risks and challenges, including those discussed below and in the "Risk Factors" section of this Registration Statement/Proxy Statement.

Consumer demand and global economic conditions.

Consumer demand for our products and services may be affected by the performance of the general economy, and is also sensitive to personal discretionary spending levels. Declines in consumer demand due to adverse general economic conditions, risks affecting or reducing leisure spending, lower consumer confidence and adverse political conditions can subject and have subjected our revenues to significant volatility.

Proprietary brand value

Compared with the other golf equipment suppliers in Taiwan, the Group is one of few manufacturers in the Taiwanese golf industry which markets products globally under its proprietary brand KBS. The Group's design team caters to the needs of PGA professional players to design and develop the club shafts per the players' needs and suggestions. As the Group controls the design, manufacturing and distribution of the KBS brand, it enjoys higher gross profit margin of the KBS branded products associated with the brand premium than the other peers engaged in OEM in Taiwan and continue to develop products based on the brand platform to create business opportunities and improve the competitive strength. The KBS branded club shafts have been adopted by well-known PGA professional players for many years and, therefore, built considerable brand awareness. International major manufacturers, such as TaylorMade, Callaway, PXG and Mizuno, also work with the Group to assemble and sell the Group's KBS club shafts, and the brand becomes the hot-selling shaft brand for sport goods chain channels and professional golf equipment assembly service providers. The Group's KBS brand has covered multiple sales channels successively and improved consumers' identification and loyalty toward its products with its brand, thereby creating the largest business opportunity for the Group. If the Group is not able to maintain the brand value of KBS brand, including reduction the product releases, reduction in the number of PGA endorsements, any negative publicities, the results of operation, business and financial condition of the Group may be materially and adversely affected.

Research and Development Investment

The Group owns the production technology for iron club shafts. Meanwhile, the iron golf clubs under its private brands, such as KBS Tour and KBS C-Taper, are extensively favored by professional players, pro gamers and amateur players and, therefore, enjoy considerable publicity in the industry. In recent years, the Group has extended its product lines based on the KBS brand and successively launched the Hybrid, TGI and TD series carbon fiber club products, thus making the product lines more complete to satisfy the golf brand customers' need for one-stop shopping of various specifications and functions.

Meanwhile, it continues to improve the process and purchase automated production equipment to reduce human resource for production and shorten the delivery period. In recent years, the Group has obtained the production information and energy consumption data via IoT technology and combined equipment and production information collection and analysis to improve the production capacity of equipment and energy consumption efficiency, thus improving the entire benefits.

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The Group plans to continue to invest in research and development to be in a leading position for the next stage of golf club shaft competition. However, if the Group's investment does not yield in meaningful results, such as new golf shaft material composition, improvement in manufacturing efficiency, the results of operation, business and financial condition of the Group may be materially and adversely affected.

Competition

In order to attract consumers, golf brand suppliers keep innovating their products to shorten the product life cycle and development schedule significantly. In order to satisfy customers' demand for launch of new products, it is necessary to develop new products and implement the mass production in a short time. The Group appoints dedicated personnel to follow PGA players when they attend any games and provide feedback to the R&D team based on the players' suggestions and needs. Meanwhile, in recent years, it has catered to consumers' needs and verified the market development trend by managing the KBS brand flagship store. It continues to improve the shaft design and invests capital in the development of new product designs to satisfy customers' needs rapidly.

The Group faces fierce competition in all product categories. In the premium shaft sector, the Group competes with other international brands that are more well-known and have more financial resources, such as Tempest, Nippon, and Project X. In the standard and economy shaft sector, the Group competes with other OEMs in Taiwan, the PRC or other regions both on pricing, delivery lead time, manufacturing capacity and production yield. There is no guarantee that the Group will be able to maintain its competition positioning in any product sector. If the Group's competition positioning deteriorates, the results of operation, business and financial condition of the Group will be materially and adversely affected.

Impact of COVID-19

The COVID-19 pandemic affected businesses around the world. Many countries imposed restrictions on travel and enforced store closures, encouraging people to stay at home and avoid gathering in public places. The COVID-19 pandemic initially disrupted the seasonal trends of golf equipment industry, dampening demand in 2020.

However, the extent to which the COVID-19 pandemic may impact Group's long-term results remains uncertain, and CCT is closely monitoring the impact of COVID-19 pandemic internally. See "Risk Factors — Risks Related to CayCo and the Company's Business — *Unfavorable economic conditions, including as a result of lingering COVID-19 effects, inflation or otherwise, could have a negative impact on consumer discretionary spending and therefore negatively impact the Group's results of operations, financial condition and cash flows.*"

Basis of Presentation

The Group's consolidated financial statements have been prepared in accordance with U.S. GAAP. All intercompany accounts and transactions have been eliminated on consolidation. For the purposes of presenting consolidated financial statements, its assets and liabilities and its foreign operations (including subsidiaries in other countries that use currencies which are different from our functional currency) are translated into USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Components of Results of Operations

Revenue

The Group generates revenue primarily from the sales of golf club shafts and sales of sports accessories, food and beverage. Of the total revenue of \$49,779,465 for the year ended December 31, 2022, \$49,111,948 of revenue was from the sales of golf club shafts, and \$667,517 of revenue was from the sales of sports accessories, food and beverage. The total revenue decreased by \$21,048,916 to \$28,730,549 for the year ended December 31, 2023, of which \$27,825,905 of revenue was from the sales of golf club shafts, and \$904,644 of revenue was from the sales of sports accessories, food and beverage.

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The table below sets forth the revenue contribution by types of products in the years ended December 31, 2023 and 2022:

Year	December 31, 2023		December 31, 2022	
	Revenue Amount	Revenue Proportion/ Share, %	Revenue Amount	Revenue Proportion/ Share, %
Sales of golf club shafts	\$ 27,825,905	96.9	\$ 49,111,948	98.7
Sales of sports accessories, food and beverage	904,644	3.1	667,517	1.3
Total	\$ 28,730,549	100.0	\$ 49,779,465	100.0

Cost of Revenue

The Group's cost of revenue consists primarily of costs of product parts and materials purchased from manufacturers, labor costs, depreciation, maintenance, and other overhead related costs, such as salaries and related personnel expenses.

Selling Expenses

The Group's selling expenses consist of personnel expenses and advertising expenses and shipping expenses.

The Group expects its selling expenses to increase for the foreseeable future as the Group invests to support the growth of its expansion and to build out its sales force and marketing capabilities.

General and Administrative Expenses

The Group's general and administrative expenses consist primarily of personnel-related expenses for employees involved in general corporate functions, including executive and administration, legal, human resources, accounting, finance, tax, and information technology and outside professional services, including legal, audit and accounting services, as well as expenses for allocated facilities costs, such as office rent, depreciation, other general corporate expenses and travel. Personnel-related expenses primarily include salaries and benefits compensation.

The Group expects its general and administrative expenses to increase for the foreseeable future as it scales headcount with the growth of its business, and as a result of the expenses of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities and other administrative and professional services.

Research and Development Expenses

The R&D expenses include:

- Personnel related expenses, including salaries and benefits compensation expenses for personnel in research and engineering, design, and testing functions;
- Expenses related to materials, suppliers and third-party services; and
- An allocated portion of overhead expenses, such as facility and IT costs and depreciation.

The Group's research and development expenses for the years ended December 31, 2023 and 2022 range of 5.3% to 3.0% of its revenue. The Group expects that its R&D costs will increase for the foreseeable future as it continues to invest in R&D activities to enrich its product line.

Other Income

The Group's other income primarily consists of interest expense, net, foreign exchange gain, investment

[Table of Contents](#)**Income Tax Expenses**

The Group's income tax expense primarily consists of current income tax expenses. Currently, the applicable tax rate in Taiwan is 20%, while the tax rate for unappropriated earnings is 5%.

Results of Operations**Comparison of Results of Operations for the Year Ended December 31, 2023 to the Year Ended December 31, 2022**

The table below sets forth the results of operations for the year ended December 31, 2023 and the year ended December 31, 2022:

	For the Years Ended December 31,	
	2023	2022
Revenue	28,730,549	49,779,465
Cost of sales	15,287,532	23,207,116
Gross profit	13,443,017	26,572,349
COSTS AND OPERATING EXPENSES:		
Selling expenses	9,194,267	8,548,084
General and administrative expenses	5,279,397	6,214,238
Research and development expenses	1,529,690	1,507,927
Total costs and operating expenses	16,003,354	16,270,249
(LOSS) PROFIT FROM OPERATIONS	(2,560,337)	10,302,100
OTHER INCOME (EXPENSE)		
Interest expense, net	(14,703)	(52,695)
Foreign exchange gain	44,362	1,622,167
Government subsidy income	—	4,315
Other income	637,830	594,549
Investment loss on long-term investment	(466,262)	—
Total other income, net	201,227	2,168,336
(LOSS) PROFIT BEFORE INCOME TAX EXPENSES	(2,359,110)	12,470,436
INCOME TAX (BENEFITS) EXPENSES	(123,151)	3,094,759
NET (LOSS) INCOME	(2,235,959)	9,375,677
OTHER COMPREHENSIVE (LOSS) INCOME		
Foreign currency translation adjustment	(26,625)	(1,653,615)
TOTAL COMPREHENSIVE (LOSS) INCOME	(2,262,584)	7,722,062

Revenue

Of the total revenue of \$49,779,465 for the year ended December 31, 2022, \$49,111,948 of revenue was from the sales of golf club shafts, and \$667,517 of revenue was from the sales of sports accessories, food and beverage. The total revenue decreased from \$49,779,465 for the year ended December 31, 2022 to \$28,730,549 for the year ended December 31, 2023, representing a 42.3% decrease. The total revenue decreased in the year ended December 31, 2023 due to decline of sales volume: i) as the weaker demands from our customers for their

spending on golf under the impact of slowdown in global economy; ii) besides, with the easing of the COVID-19 pandemic, golf is no longer the only outdoor sports option after the pandemic.

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Cost of Revenue

Cost of revenue decreased by \$7,919,584 or 34.1%, from \$23,207,116 for the year ended December 31, 2022 to \$15,287,532 for the year ended December 31, 2023, which was in line with the decrease in total revenue.

Gross Profit

The gross profit decreased from \$26,572,349 for the year ended December 31, 2022 to \$13,443,017 for the year ended December 31, 2023, representing a decrease of 49.4%. This decline was primarily due to a decrease in total revenue.

Gross profit margin decreased to 46.8% for the year ended December 31, 2023, as compared to 53.4% for the year ended December 31, 2022. The decrease of gross profit margin was primarily attributable to the decrease of products sold, as the Group sold less KBS golf club shafts compared to that for the year ended December 31, 2022.

Selling Expenses

Selling expenses increased by \$646,183, or 7.6%, from \$8,548,084 for the year ended December 31, 2022 to \$9,194,267 for the year ended December 31, 2023. This increase was primarily due to increase of personnel expense, such as travel expenses to participate in Professional Golfers' Association Tour, in FST America for market promotion.

General and Administrative Expenses

General and administrative expenses decreased to \$5,279,397 for the year ended December 31, 2023 from \$6,214,238 for the year ended December 31, 2022, representing a 15% decrease. This decrease was primarily due to a decrease of personnel expense such as management and directors' bonus as sales declined for the year ended December 31, 2023.

Research and Development Expenses

Research and development expenses remained stable, which amounted to \$1,529,690 and \$1,507,927 for the years ended December 31, 2023 and 2022, respectively.

Other Income

Other income decreased by \$1,967,109, or 90.7%, from \$2,168,336 for the year ended December 31, 2022 to \$201,227 for the year ended December 31, 2023. The decrease was mainly due to: i) the decline of the foreign exchange rate gain of \$1,577,805 because of less favorable exchange rate gain of USD to TWD; ii) the increase of investment loss on long-term investment of \$466,262 of investment in Factory Automation Technology Co., Ltd.

Income Tax Expenses

Income tax benefit was \$123,151 for the year ended December 31, 2023 and income tax expenses was \$3,094,759 for the year ended December 31, 2022. This was mainly due to the fact that taxable income turned to loss from the year ended December 31, 2022 to 2023.

Liquidity and Capital Resources

Historically, we have financed our operations mainly through equity contributions from the Company's shareholders and cash flow from operating activities in ordinary course of business. As of December 31, 2023 and December 31, 2022, we had cash and cash equivalents of \$8,904,618 and \$20,740,375, respectively, which consisted of cash, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash. The Group believes that cash on hand will be sufficient to meet the working capital and capital expenditure requirements for at least the next 12 months from the date of this Registration Statement/Proxy Statement and sufficient to fund its operations.

To the extent that our current resources are insufficient to satisfy our cash requirements, we may need to seek additional equity or debt financing. If the financing is not available, or if the terms of financing are less desirable than we expect, we may be forced to decrease our level of investment in research and development or delay, scale back or abandon all or part of our growth strategy, which could have an adverse impact on our business and financial prospects.

Cash Flows Summary

Presented below is a summary of the Group's operating, investing, and financing cash flows:

	Years ended December 31,	
	2023	2022
Net cash (used in) provided by operating activities	(11,205,424)	12,721,148
Net cash used in investing activities	(11,592,307)	(2,458,553)
Net cash provided by financing activities	11,302,462	2,297,238

Cash Flows (Used in) Provided by Operating Activities

Cash flows generated from operating activities are typically re-invested to support the growth of the Group's business. The Group's operating cash inflows include cash from sales of its products. These cash inflows are offset by the Group's payments to suppliers for production materials and parts used in the Group's manufacturing process, operating expenses, and interest payments on the Group's financings.

During the year ended December 31, 2022, net cash provided by operating activities was \$12,721,148. During the year ended December 31, 2023, net cash used in operating activities was \$11,205,424. The decrease was mainly attributable to i) decrease in net income in the year ended December 31, 2023; ii) increase in inventories in the year ended December 31, 2023; iii) decrease in income taxes payable in the year ended December 31, 2023; iv) decrease in accrued expenses and other current liabilities in the year ended December 31, 2023; and partially offset by decrease in Accounts and notes receivable in the year ended December 31, 2023.

Cash Flows Used in Investing Activities

Cash used in investing activities primarily relate to purchase of property, plant, and equipment.

Net cash used in investing activities was \$11,592,307 for the year ended December 31, 2023 and net cash used in investing activities was \$2,458,553 for the year ended December 31, 2022. The increase was primarily due to increased investment in land and buildings during the year ended December 31, 2023.

Cash Flows from Financing Activities

Net cash generated from financing activities was \$11,302,462 for the year ended December 31, 2023, which primarily consists of the proceeds of \$38,752,418 from bank borrowings and partially offset by the repayment of \$24,734,659 of bank borrowings.

Net cash generated from financing activities was \$2,297,238 for the year ended December 31, 2022, which primarily consists of the proceeds of \$31,983,022 from short-term loans and partially offset by the repayment of \$29,404,105 of short-term borrowings.

Material Contractual Obligations and Commitments

For a discussion of material contractual obligations and commitments, see Note 16 "Commitments and Contingencies" to the Group's consolidated financial statements and Note 16 "Commitments and Contingencies" to the Group's unaudited condensed consolidated financial statements included in this Registration Statement/Proxy Statement.

Off-Balance Sheet Arrangements

During the periods presented, the Group did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which were established for the purpose of facilitating off-balance sheet arrangements.

Critical Accounting Estimates

The Group's consolidated financial statements that are included elsewhere in this Registration Statement/Proxy Statement/prospectus have been prepared using the significant measurement bases. We believe that the following estimates are those most critical to the judgments used in the preparation of our financial statements.

Evaluation of inventories

Inventories are stated at the lower of cost or estimated net realizable value. Costs are computed under the standard cost method, which approximates actual costs determined on the weighted-average basis. The Group records inventory write-downs as cost of revenue for excess or obsolete inventories based upon assumptions on current and future demand forecasts. If the inventory on hand is in excess of future demand forecast, the excess amounts are written off. The Group also reviews inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires the determination of the estimated selling price of the inventory less the estimated cost to convert inventory on hand into a finished product. Once inventory is written-down, a new, lower-cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Critical Accounting Policies

Management's discussion and analysis of our results of operations and liquidity and capital resources are based on our audited financial information. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in our financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to fair value of financial instruments and accrued expenses. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Recent Accounting Pronouncements

For a discussion of our new or recently adopted accounting pronouncements, see Note 2(aa) "Recently accounting pronouncements" to the Group's consolidated financial statements and Note 2(e) "Recently accounting pronouncements" to the Group's unaudited condensed consolidated financial statements included in this Registration Statement/Proxy Statement.

Emerging Growth Company Status

As defined in Section 102(b)(1) of the JOBS Act, the Group is as an emerging growth company ("EGC"). As such, the Group will be eligible for and intends to rely on certain exemptions and reduced reporting requirements provided by the JOBS Act, including (a) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act, (b) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements and (c) reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements.

The Group will remain an EGC under the JOBS Act until the earliest of (i) the last day of the fiscal year in which the market value of the Group's Common Shares that are held by non-affiliates exceeds \$700 million as of the last business day of the second quarter of that fiscal year, (ii) the last day of the fiscal year in which it has total annual gross revenue of \$1.07 billion or more during such fiscal year (as indexed for inflation), (iii) the date on which it has issued more than \$1 billion in non-convertible debt in the prior three-year period or (iv) the last day of the fiscal year following the fifth anniversary of the date of the IPO.

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Foreign Private Issuer Status

The Group qualifies as a "foreign private issuer" as defined under SEC rules. Even after the Group no longer qualifies as an emerging growth company, as long as the Group continues to qualify as a foreign private issuer under SEC rules, the Group is exempt from certain SEC rules that are applicable to U.S. domestic public companies, including:

- the rules requiring domestic filers to issue financial statements prepared under U.S. GAAP;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in

respect of a security registered under the Exchange Act;

- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing financial statements and other specified information, and current reports on Form 8-K upon the occurrence of specified significant events; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

Notwithstanding these exemptions, the Group will file with the SEC, within four months after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm.

The Group may take advantage of these exemptions until such time as the Group is no longer a foreign private issuer. The Group would cease to be a foreign private issuer at such time as more than 50% of its outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of its executive officers or directors are U.S. citizens or residents, (ii) more than 50% of its assets are located in the United States or (iii) its business is administered principally in the United States.

Both foreign private issuers and emerging growth companies also are exempt from certain more stringent executive compensation disclosure rules. Thus, even if the Group no longer qualifies as an emerging growth company, but remains a foreign private issuer, the Group will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer.

In addition, because the Group qualifies as a foreign private issuer under SEC rules, the Group is permitted to follow the corporate governance practices of Taiwan (the jurisdiction in which the Group is organized) in lieu of certain Nasdaq corporate governance requirements that would otherwise be applicable to the Group.

If at any time the Group ceases to be a foreign private issuer, the Group will take all action necessary to comply with the SEC and Nasdaq Listing Rules.

Quantitative and Qualitative Disclosures About Market Risk

The Group is exposed to various risks in relation to financial instruments. The main types of risks are foreign currency risk and interest rate risk. Furthermore, the Group does not have foreign-exchange hedging contracts in place with respect to all currencies in which it does business.

Foreign Currency Risk

The Group's results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. FST Taiwan and the Group's subsidiary in Japan may be exposed to significant currency risks from exchange rate fluctuations and the degree of foreign exchange rates between the U.S. Dollar and the TWD, and between the U.S. Dollar and the JPY. As of December 31, 2023 and 2022, the TWD denominated cash and cash equivalents and restricted cash amounted to \$8,856,143 and \$14,714,477, respectively. As of December 31, 2023 and 2022, the JPY denominated cash and cash equivalents amounted to \$105,373 and \$108,303, respectively.

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Interest Rates Risk

The Group is subject to interest rate risk. Bank interest bearing loans are charged at variable interest rates within the reporting period. The Group is subject to the risk of adverse changes in the interest rates charged by the banks when these loans are refinanced.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk was mainly arising from bank deposits, trade receivables, other receivables, other financial assets, and refundable deposits. The Group limits its credit risk by reviewing its counterparties' financial condition and payment practices to minimize collection risks on its accounts receivable.

Liquidity Risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to

finance its operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

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EXECUTIVE COMPENSATION

Executive Compensation Prior to the Business Combination

SPAC

None of SPAC's executive officers or directors has received any cash compensation for services rendered. The Sponsors, SPAC's directors, officers and their respective affiliates, will be reimbursed for any out-of-pocket expenses incurred in connection with activities on SPAC's behalf, such as identifying potential target businesses and performing due diligence on suitable business combinations. SPAC's audit committee will review on a quarterly basis all payments that were made to these persons. Any such payments prior to an initial business combination will be made from funds held outside the Trust Account. Other than these payments and reimbursements, no compensation of any kind, including finder's and consulting fees, will be paid to the Sponsors, SPAC's executive officers and directors, or any of their respective affiliates, prior to completion of SPAC's initial business combination.

It is possible that some or all of SPAC's executive officers and directors may negotiate employment or consulting arrangements with the post-business combination company after SPAC's initial business combination. Any such arrangements will be disclosed in the proxy solicitation or tender offer materials, as applicable, furnished to SPAC Shareholders in connection with a proposed business combination, to the extent they are known at such time.

The existence or terms of any such employment or consulting arrangements may influence SPAC's management's motivation in identifying or selecting a target business, but SPAC does not believe that such arrangements will be a determining factor in SPAC's decision to proceed with any potential business combination.

For more information about the interests of the Sponsors and SPAC management in the Business Combination, see the subsection entitled "*SPAC Shareholder Proposal No.1 — The Business Combination Proposal — Interests of Certain Persons in the Business Combination.*"

Historical Compensation of FST's Executive Officers, Directors and Supervisors

For the year ended December 31, 2023, the Company paid an aggregate of NTD\$7,155,496 (US\$_____) in cash and its executive officers consisting of the General Manager Warren Chen-Teng Huang, the Vice General Manager Marie Wen-Chi Chao, and the Finance and Accounting Carie Hui-Ting Hsu, of which none were paid in the form of stock options. For the year ended December 31, 2023, there were no options to purchase any securities of the Company granted to the Company's employees. The Company has not set aside or accrued any amount to provide pension, retirement or other similar benefits to its executive officers, directors and supervisors.

The following table sets forth information about the compensation awarded to, earned by or paid to the Company's executive officers, directors and supervisors for the year ended December 31, 2023.

Name	Title	Compensation in Thousand NTD\$	Compensation in USD\$	Miscellaneous ⁽¹⁾
Warren Chen-Teng Huang	General Manager and Director	3,565		
Marie Wen-Chi Chao	Vice General Manager	2,284		
Carie Hui-Ting Hsu	Finance and Accounting Manager	1,306		

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Remuneration of FST Directors

The following table shows the total compensation awarded to, earned by, or paid to during the year ended December 31, 2023, to our executive officers who were serving as named executive officers as of such date.

Title	Name	Total Annual (2023) Remuneration in Thousand NTD	Total Annual (2023) Remuneration in USD
Chairman	David Chuang	12,412	
Director	Representative of Far East Machinery Co., Ltd.: Alex Yu-Chen Liu	80	
Director	Representative of Japan Brand Business Investment LLC: Shintaro Tanahara	80	
Director	Warren Chen-Teng Huang, General Manager	3,565	
Independent Director	Nick Ping-Chia Chen	415	
Independent Director	Alan Yu-Cheng Li	415	
Independent Director	Da-Li Chuang	405	

Employment Agreements, Insurance and Indemnification

Each of the executive officers and directors in the table below are a party to a service agreement with FST (“**Service Agreement**”). Each Service Agreement is substantially similar to the other Service Agreements. Under the Service Agreement, the executive officer or director, as the case may be, agrees to serve until terminated due to the person’s death or disability or by a unanimous decision of the Board. The Service Agreement also includes certain restrictive covenants, which include confidentiality and non-disclosure restrictions and non-competition restrictions that apply during the term and for certain periods following specified terminations of service.

FST Directors

Name	Position
<i>David Chuang</i>	Chairman
<i>Warren Chen-Teng Huang</i>	Director
<i>Alex Yu-Chen Liu</i>	Director
<i>Shintaro Tanahara</i>	Director
<i>Nick Ping-Chia Chen</i>	Independent Director
<i>Alan Yu-Cheng Li</i>	Independent Director
<i>Da-Li Chuang</i>	Independent Director

FST Executive Officers

Name	Position
<i>Warren Chen-Teng Huang</i>	General Manager
<i>Marie Wen-Chi Chao</i>	Vice General Manager
<i>Carie Hui-Ting Hsu</i>	Accounting Manager

FST has neither procured any directors and officers insurance for any of its directors and supervisors, nor has it entered into any indemnification agreement with any of its directors and supervisors.

In relation to the employees, supervisors and managers across different departments in FST, FST has in place employment contracts with such personnel, which has been drafted in accordance with FST’s employment policies and domestic labor laws of Taiwan. These employment contracts include the following provisions:

- normal working hours do not exceed beyond 8 hours per day and do not exceed 40 hours per week;
- salary for employees is approved at the time of employment and bonuses are given based on performance;
- FST has purchased labor insurance and national health insurance for all its employees;

- Company provides on-site education and vocational training pertaining to its business; and
- detailed confidentiality provisions apply to all employees to protect FST's business secrets.

Equity Incentive Plans

As of the date of this Registration Statement/Proxy Statement, FST does not have an incentive plan in effect, nor are there any share options outstanding.

Company Employee Benefit Plan

In relation to an employee retirement pension, FST operates the employee pension system as required by the Taiwan Labor Pension Act and the Employee Welfare Fund Act. Pension payments are withdrawn from each respective employee's salary on a monthly basis and stored in each respective employees' labor pension personal special pension account established by the Taiwan Labor Insurance Bureau. In addition, employees can voluntarily contribute to their retirement pensions by making voluntary pension payments.

FST had an employee option plan that existed from July 26, 2018 to July 25, 2021. It consisted of a total of 800,000 share available for issuance. Options were exercisable from September 26, 2018 through July 25, 2021. The issue price was New Taiwan Dollars 17 per share. In total, 105,000 shares were issued for a total issuance price of New Taiwan Dollars 1,785,000. This plan is no longer in effect.

Apart from the employee option plan, FST does not have any employee incentive plan and neither have any options been issued or remain outstanding.

Executive Compensation After the Business Combination

Following the closing of the Business Combination, CayCo intends to develop an executive compensation program that is consistent with FST's existing compensation policies and philosophies, which are designed to align compensation with business objectives and the creation of shareholder value, while enabling us to attract, motivate and retain individuals who contribute to our long-term success. Decisions on the executive compensation program will be made by the compensation committee of CayCo, which committee will be established at the closing of the Business Combination.

Post-Closing Employment Agreements

In accordance with the Business Combination Agreement, CayCo intends to enter into employment agreements with its executive officers prior to the consummation of the Business Combination. Although the terms of these agreements are still being finalized, CayCo expects that the agreements will have a fixed term of years, with annual renewals thereafter, subject to termination in accordance with each agreement's terms and conditions. CayCo expects that each executive will be entitled to an annual salary, to be reviewed each year, an annual target bonus opportunity (calculated as a percentage of annual salary) paid in cash and an equity incentive grant. CayCo anticipates the agreements will contain severance provisions whereby, if the executive is terminated other than for cause or resigns for good reason, then the executive will be paid a lump sum payment calculated based on his or her salary and bonus, in exchange for a release of claims in our favor. If the executive is terminated for cause, CayCo anticipates the agreements will provide that the executive would receive no amounts other than amounts accrued at the date of termination and any vested benefits under company benefit plans. CayCo expects that all unvested equity awards would become fully vested in connection with a change of control.

New Equity Incentive Plan

A new equity incentive plan ("**New Equity Incentive Plan**") will be adopted in connection with the transactions contemplated in the Business Combination Agreement for the purpose of granting or issuing equity incentive compensation to employees and other service providers of FST.

Prior to the Closing Date under the Business Combination Agreement, CayCo shall approve and adopt the New Equity Incentive Plan, in a form with customary terms and conditions that is reasonably agreed by and between SPAC and FST, provided that the total reserved pool size under such plan shall not exceed 10% of the total issued and outstanding share capital of CayCo at the Closing Date except with prior written consent of SPAC and Chenghe Investment Co., a Cayman Islands exempted company.

MANAGEMENT OF CAYCO AFTER THE BUSINESS COMBINATION

The following information concerning the management of CayCo is based on the Plan of Merger, the CayCo Listing Articles, the form of which is attached as Annex B to this Registration Statement/Proxy Statement,

and each of which is expected to be in effect in such form as of the consummation of the Business Combination, applicable law and current expectations of the Company and is subject to change.

Directors and Executive Officers

The executive officers and directors of CayCo following the consummation of the Business Combination will be as follows:

Name	Age	Position
Executive Officers		
David Chuang	47	Chief Executive Officer and Chairman
Warren Chen-Teng Huang	55	Chief Operating Officer
Marie Wen-Chi Chao	46	Chief Financial Officer
Carie Hui-Ting Hsu	44	Accounting Manager
Non-Executive Directors		
Kerry Lin Liu		Director
Shintaro Tanahara	62	Director
Nick Ping-Chia Chen	55	Independent Director
Alan Yu-Cheng Li	51	Independent Director
Huoy-Ming Yeh	44	Independent Director

Executive Officers

David Chuang, aged 47, will serve as Chairman and Chief Executive Officer of CayCo after the closing of the Business Combination. Mr. Chuang has over 24 years' experience in the golf equipment industry. During this period, Mr. Chuang has been instrumental in leading the Company from a small steel shaft manufacturer in Taiwan into one of the largest golf shaft makers in the world. In 2008, Mr. Chuang created the KBS branded series of golf shafts that would transform the Company from a contract golf shaft manufacturer into a globally recognizable golf shaft company. From 2014 to 2019, Mr. Chuang also served as general manager of the Company. Under Mr. Chuang's leadership, the Company was able to increase its tubular pipe capacity by over 300%, while also making it one of the largest square steel tubing manufacturers in Taiwan. Mr. Chuang was also instrumental in leading the Company's digital transformation in its machining and manufacturing unit, leading to significant improvements in quality and operational efficiency, creating the company's first continuous automated machining and manufacturing facility. From 2009 to 2018, Mr. Chuang also served as general manager of Factory Automation Technology Co. Ltd. (Fatek), a Taiwan company that manufactures machine tools and provides services in digital transformation and systems integration for automated manufacturing systems. From 2018 to 2021, Mr. Chuang served as Chairman and CEO of Fatek, responsible for the company's digital transformation and significantly increased the company's manufacturing efficiencies and capabilities. Under Mr. Chuang leadership, Fatek became the first Taiwan machine tool company to develop a fully automated aluminum wheel machining cell and manufacturing solution, and the first Taiwan company to be certified by top Tier 1 automotive suppliers as a qualified supplier, which led Fatek to becoming the leading aluminum wheel machining production cell producer and supplier in Taiwan. Mr. Chuang currently serves as a director of the Taiwan Association of Machinery Industry (TAMI), a prominent trade association representing the machinery industry in Taiwan, and has been its director since 2012. He is also the executive director of the Chiayi section of TAMI and has been serving in this capacity since 2021. Mr. Chuang also currently serves as a board member of the Precision Machinery Research and Development Center (PMC) and has been on its board since 2017, a leading institution dedicated to advancing research, development, and innovation in precision machinery and related fields that operates under the Taiwan Ministry of Economic Affairs. Mr. Chuang graduated with a bachelor's degree from the Department of Biology from the University of Colorado.

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Warren Chen-Teng Huang, aged 55, will serve as the Chief Operating Officer of CayCo after the closing of the Business Combination. Mr. Huang has more than 20 years of experience in the field of golf shaft manufacturing and sales. Mr. Huang holds a bachelor's degree from the Department of Public Administration of National Chengchi University in Taiwan. In 1995, he joined Cheng Jan Metal Industry Co., Ltd., a manufacturer of large diameter steel pipes and steel pipe accessories in Chiayi, Taiwan, serving successively as its general affairs department specialist, sales department specialist, and sales department section chief. In 2002, Mr. Huang joined the Company as the operations department specialist, section chief and deputy manager, mainly responsible for the Company's sales, production line planning, and management. In 2013, Mr. Huang was promoted to

operations department manager and senior manager. In September 2019, Mr. Huang was appointed as the Company's general manager by the board of directors of the Company, succeeding Mr. David Chuang, a position which he still holds today. In July 2022, Mr. Huang joined the board of directors of the Company as a director, a position which he still holds today.

Marie Wen-Chi Chao, aged 46, will serve as the Chief Financial Officer of CayCo upon completion of the business combination. Ms. Chao holds a bachelor's degree in finance from National Chengchi University, Taiwan and also attended Gonzaga University's Enterprise Research Institute in Spokane, Washington. In March 2004, Ms. Chao joined the Taiwan Semiconductor Co., Ltd. (TWSE: 2330) as the head of the manufacturing department, responsible for the production line management of IMP, CMP, ETCH. In 2009, Ms. Chao joined the Company as special assistant to the deputy general manager. In 2013, Ms. Chao became deputy manager of the Company's operations department, responsible for production line management. In 2015, Ms. Chao became the deputy manager of the Company's management department, responsible for human resources and administrative affairs management, and then served as the manager of the management department. Later, as senior manager of the Company, Ms. Chao led the Company's public offering and listing on the Taipei Exchange. In November 2021, Ms. Chao was promoted to the vice general manager of the administrative department of the Company, a position she has retained until today.

Carie Hui-Ting Hsu, aged 44, will serve as the Accounting Manager of CayCo upon completion of the business combination. Ms. Hsu graduated with a bachelor's degree from the Accounting Department of Fengjia University in Taiwan. In July 2001, Ms. Hsu joined KPMG Taiwan as auditor, and successively rose to supervisor and assistant manager at KPMG. Her main field of work at KPMG included auditing, tax filing, and internal control review for clients of KPMG. From September 2006 to April 2012, Ms. Hsu served as the accounting section chief of the finance and accounting department of Far East Machinery Industry Co., Ltd., responsible for the group's annual budget preparation, financial statement preparation, internal accounting review and processing and other accounting affairs. From September 2014 to February 2016, Ms. Hsu served as the head of the operation and management group in the general manager's office of Tsang Yow Industrial Co., Ltd. (TWSE: 1568), a supplier of automatic transmission assembly components and heavy-duty truck clutch parts, focusing on group operations and financial analysis. In March 2016, Ms. Hsu joined the accounting department of the Company and served successively as the accounting section chief and assistant manager of the Company. During this period, Ms. Hsu worked on the public offering and IPO of the Company. In November 2021, Ms. Hsu was promoted as the accounting department manager of the Company, a position she still holds today.

Non-Executive Directors

Kerry Lin Liu, will serve as a director on the board of CayCo upon completion of the business combination. Ms. Liu is passionate about building brands and brings over 25 years of marketing and brand management experience to FST. Her expertise in marketing, advertising, sales, retail and new product innovation extends across numerous global consumer brands including Johnson & Johnson, Neutrogena, Del Monte, Kikkoman, Peet's Coffee, Method, and Jamba Juice. From 2010-2022 she served as a Director for the NielsenIQ company, advising numerous clients on data driven sales & marketing analytics and strategies. Prior to joining NielsenIQ, she worked in-house at J&J/Neutrogena and started her career at Union Bank.

Shintaro Tanahara, aged 62, will serve as a director on the board of CayCo upon completion of the business combination. Mr. Tanahara is currently a director of FST. Mr. Tanahara graduated from the Department of Economics of Aoyama Gakuin University in Japan with a bachelor's degree. From 1989 to 2005, he worked in the Corporate Finance Department of Yasuda Life Insurance Company (which merged with Meiji Life Insurance Company in 2004 to form Meiji Yasuda Life Insurance Company), and served successively as assistant manager and group manager of Yasuda. In 2005, Mr. Tanahara joined the Investment Banking Department of Kyokuto Securities and has been working there ever since, serving as Executive Officer and Senior Executive Officer. Since 2017, Mr. Tanahara has concurrently served as the Senior Managing Executive Officer of Tokyo Asset Solution Co., Ltd, the investment arm of

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Jidong Securities Group. Mr. Tanahara has more than 25 years of experience in corporate loans, securities investment and arrangement of securitized transactions. Since March 2018, he has served as the corporate director appointee of Japan Brand Business Investment LLC, a major shareholder of FST, a position he still holds today.

Nick Ping-Chia Chen, aged 55, will serve as an independent director on the board of CayCo after the closing of the Business Combination. Mr. Chen is currently an independent director of the Company. Mr. Chen graduated from the Department of Accounting of National Chung Hsing University in Taiwan with a bachelor's degree, and qualified as an accountant in Taiwan in 2002. In 1995, Mr. Chen joined PricewaterhouseCoopers Taiwan as an auditor and audit team leader. From 1998 to 2000 and 2002 to 2003, Mr. Chen worked at KPMG Taiwan as an audit manager. In 2001, he worked at MasterLink Securities Co., Ltd., a Taiwan securities firm, as

an underwriter. Mr. Chen later joined Yude Accounting Firm in Taichung, Taiwan in 2005 as a certified public accountant, where he is still working today as the managing partner of the firm. In March 2019, Mr. Chen joined the board of directors of the Company as an independent director, a position that he still holds today. In August 2021, Mr. Chen joined the board of directors of Transart Graphics Co., Ltd. (TWSE: 8481) as an independent director, a position that he still holds today. In January 2022, Mr. Chen joined the board of directors of Iscom Online International Information Inc. (TPEX: 6868) as an independent director, a position that he still holds today.

Alan Yu-Cheng Li, aged 51, will serve as an independent director on the board of CayCo after the closing of the Business Combination. Mr. Li is currently an independent director of FST. Mr. Li graduated from the Department of Law of National Chengchi University in Taiwan with a bachelor's degree, and later graduated from the Graduate School of Risk Management and Insurance of National Chengchi University in 1998 with a master's degree. In 2002, Mr. Chen passed the Taiwan Bar Examination to become qualified as a Taiwan lawyer. In 2006, Mr. Li joined Chien Yeh Law Offices and is now a partner lawyer of the firm. Mr. Chen's areas of legal expertise include general civil litigation, insurance litigation, corporate commercial litigation and securities and exchange criminal litigation. In March 2019, Mr. Chen joined the board of directors of FST as an independent director, a position that he still holds today.

Huoy-Ming Yeh, aged 44, will serve as an independent director on the board of CayCo after the closing of the Business Combination. Ms. Yeh is the managing partner of Upshot Ventures, which she founded in 2015. Upshot, which also operates as CSC Upshot Ventures, is a venture capital firm based in Palo Alto, CA. Ms. Yeh has built her career around her passion for connecting capital to technology innovation between the US and Asia. Prior to establishing Upshot Ventures, she served as Managing Director at SVB Financial Group ("**SVB**") from 2009 to 2015, where she built and headed up SVB Capital's Asia practice in Shanghai. While at SVB, she expanded the firm's presence by increasing funds under management and establishing offices in Beijing and Hong Kong. Ms. Yeh began her career as an engineer at Sun Microsystems, designing microprocessors and earning three patents for her work there. Her engineering and operational background contributes to the value she brings to the founders and investors with whom she works. Subsequently after obtaining her MBA, she joined Lehman Brothers as an investment banker in its New York and San Francisco offices, where she covered clients for their capital market needs. Ms. Yeh currently is a member of the Business Leadership Council at Wellesley College. She holds an MBA from MIT Sloan School of Business, an MS in Electrical Engineering from USC and a BA in Physics from Wellesley College. Ms. Yeh will join the board of directors of CayCo as an independent director.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in good faith in what they consider to be in our best interests. Our directors must also exercise their powers only for a proper purpose. CayCo's directors also have a duty to exercise the skills they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association as may be amended from time to time. CayCo has a right to seek damages against any director who breaches a duty owed to us. The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of officers; and
- exercising the borrowing powers of our company and mortgaging the property of our company.

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Terms of Directors and Officers

CayCo's officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and hold office until their resignation, death or incapacity, or until their respective successors have been elected and qualified or until his or her office is otherwise vacated in accordance with our amended and restated articles of association. A director will also be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors, (ii) dies or is found to be or becomes of unsound mind, (iii) resigns his office by notice in writing, (iv) is prohibited by any applicable law or designated stock exchange rules from being a director, or (v) is removed from office pursuant to any other provisions of CayCo's amended and restated memorandum and articles of association.

Indemnification and Insurance Obligations of CayCo following the Business Combination

Cayman Islands law allows CayCo to indemnify our directors, officers and auditors acting in relation to any of its affairs against actions, costs, charges, losses, damages and expenses incurred by reason of any act done or omitted in the execution of their duties as CayCo's directors, officers and auditors.

Under CayCo Listing Articles, CayCo may indemnify its directors and officers to, among other persons, its Directors and officers from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts or in or about the conduct of the CayCo's business or affairs (including as a result of any mistake of judgment), except such (if any) as they shall incur or sustain through their own fraud, willful default or dishonesty.

The directors and officers of CayCo will be indemnified by CayCo and will be covered by directors' and officers' liability insurance after the Business Combination.

Foreign Private Issuer Status

After the consummation of the Business Combination, CayCo will be a "foreign private issuer" under the securities laws of the United States and Listing Rules. Under the securities laws of the United States, "foreign private issuers" are subject to different disclosure requirements than U.S. registrants.

The Listing Rules include certain accommodations in the corporate governance requirements that allow foreign private issuers, such as CayCo, to follow home country corporate governance practices in lieu of the otherwise applicable corporate governance standards of the Nasdaq. The application of such exceptions requires that CayCo discloses any significant ways that its corporate governance practices differ from the Listing Rules that CayCo does not follow.

Independence of Directors

As a result of its securities being listed on Nasdaq following consummation of the Business Combination, CayCo will adhere to the rules of such exchange, as applicable to foreign private issuers and controlled companies, in determining whether a director is independent. The board of directors of CayCo has consulted, and will consult, with its counsel to ensure that the board of director's determinations are consistent with those rules and all relevant securities and other laws and regulations regarding the independence of directors.

Upon the Closing, we anticipate that the size of CayCo's board of directors will be seven directors, [four] of whom will qualify as independent within the meaning of the independent director guidelines of Nasdaq. We anticipate that Nick Ping-Chia Chen, Alan Yu-Cheng Li, Huoy-Ming Yeh and [Sponsor Designated] will be "independent directors" as defined in the rules of Nasdaq and applicable SEC rules.

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Insider Trading Policy

Upon closing of the Business Combination, CayCo intends to adopt an insider trading policy which will prohibit its executives, other employees and directors from: (i) trading in its securities while in possession of material undisclosed information about CayCo; and (ii) entering into certain derivative-based transactions that involve, directly or indirectly, securities of CayCo, during a restricted period.

Diversity

The CayCo Board has not adopted any policies that address the identification and nomination of women or other diverse candidates to the CayCo Board or to management of CayCo. The CayCo Board recognizes the importance and benefit of having a board of directors and senior management composed of highly talented and experienced individuals having regard to the need to foster and promote diversity among board members and senior management with respect to attributes such as gender, ethnicity and other factors. In support of this goal, the nominating and corporate governance committee intends to, when identifying candidates to nominate for election to the CayCo Board or appoint as senior management or in its review of senior management succession planning and talent management:

- consider individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities having regard to CayCo's current and future plans and objectives, as well as anticipated regulatory and market developments;
- consider criteria that promote diversity, including with regard to gender, ethnicity, and other

considerations;

- consider the level of representation of women on its board of directors and in senior management positions, along with other markers of diversity, when making recommendations for nominees to the CayCo Board or for appointment as senior management and in general with regard to succession planning for the CayCo Board and senior management; and
- as required, engage qualified independent external advisors to assist the CayCo Board in conducting its search for candidates that meet the board of directors' criteria regarding skills, experience and diversity.

Committees of the Board of Directors

Upon consummation of the Business Combination, CayCo will establish a separately standing audit committee, nominating and corporate governance committee and compensation committee. The CayCo Board will adopt a charter for each of these committees. CayCo intends to comply with future Nasdaq requirements to the extent they will be applicable to CayCo.

Audit Committee

Upon the Closing, CayCo's audit committee will be composed of , and with serving as chairperson. CayCo's Board has determined that all such directors meet the independence requirements under the Nasdaq Listing Rules and under Rule 10A-3 of the Exchange Act. Each member of the audit committee is financially literate, in accordance with Nasdaq audit committee requirements, and possesses prior experience sitting in auditing committees of publicly-listed companies. In arriving at this determination, the CayCo Board examined each audit committee member's scope of experience and the nature of their prior and/or current employment.

Nominating and Corporate Governance Committee

Upon the Closing, CayCo's nominating and corporate governance committee will be composed of , and with serving as chairperson. The nominating and corporate governance committee is responsible for the assessment of the performance of the board, considering and making recommendations to the board with respect to the nominations or elections of directors and other governance issues.

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Compensation Committee

Upon the Closing, CayCo's compensation committee will be composed of , and with serving as chairperson. The compensation committee is responsible for reviewing and making recommendations to the CayCo Board regarding its compensation policies for its officers and all forms of compensation. The compensation committee will also administer CayCo's equity-based and incentive compensation plans and make recommendations to the CayCo Board about amendments to such plans and the adoption of any new employee incentive compensation plans.

Code of Ethics

CayCo will adopt a Code of Ethics that applies to all of its employees, officers, and directors. This includes CayCo's principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. We intend to disclose on our website any future amendments of the Code of Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions, or our directors from provisions in the Code of Ethics.

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SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Business Combination, based on the \$400 million pro forma equity valuation of the Post-Closing Company and assuming the Company Acquisition Percentage in connection with the FST Restructuring reaching 100%, no redemptions and the exercise of all issued and outstanding SPAC Warrants, CayCo estimates that it will have a share capital comprised of [•] CayCo Ordinary Shares. All of the CayCo Ordinary Shares issued in connection with the Merger will be freely transferable by persons other than by CayCo's "affiliates" without restriction or further registration under the Securities Act, subject to the restrictions

detailed below. Sales of substantial amounts of CayCo Ordinary Shares in the public market could adversely affect prevailing market prices of the CayCo Ordinary Shares. Prior to the Business Combination, there has been no public market for CayCo Ordinary Shares. CayCo intends to apply for listing of the CayCo Ordinary Shares on NASDAQ in connection with the Business Combination.

Transfer Restrictions

The Business Combination Agreement contemplates that at the consummation of the Business Combination, CayCo, the Sponsors, certain Company Shareholders and certain Sponsor Key Holders will enter into a Lock-Up Agreement with CayCo to be effective at Closing, the form of which is attached to this Registration Statement/Proxy Statement as Annex E. Under the Lock-Up Agreement, the Sponsors, the Company Shareholders and the Sponsor Key Holders will agree, with some exclusions, from the Closing Date of the Business Combination until the earlier of (i) the date that is six (6) months after the Closing Date, or (ii) subsequent to the Closing Date, the date on which (x) the closing trading price of the CayCo Ordinary Shares equals or exceeds U.S.\$12.00 per share (as adjusted for share subdivisions, share dividends, reorganizations, recapitalizations and the like) for any twenty (20) trading days within any thirty (30)-trading day period at least one-hundred and fifty (150) days after the Closing Date; or (y) the consummation of a bona fide liquidation, merger, stock exchange, reorganization, tender offer, change of control or other similar transaction which results in all of the CayCo's shareholders having the right to exchange their CayCo Ordinary Shares for cash, securities or other property subsequent to the Closing Date (the "**Lock-Up Period**"), with respect to (i) the Sponsors, the Sponsor Key Holders and their respective permitted transferees, the CayCo Ordinary Shares held by such person immediately following the Closing (excluding any CayCo Ordinary Shares sold in the PIPE Investment or acquired in the public market); and (ii) the Company Shareholders and their respective permitted transferees, (A) the CayCo Ordinary Shares held by such person immediately following the Closing (excluding any CayCo Ordinary Shares sold in the PIPE Investment or acquired in the public market); and (B) CayCo Ordinary Shares issued to directors and officers of CayCo upon settlement or exercise of restricted stock units, stock options or other equity awards outstanding as of immediately following the Closing (the "**Lock-Up Shares**"), they will not: (i) sell or assign of, offer to sell, contract or agree to sell, hypothecate, pledge, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establish or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any security; (ii) enter into any swap or other arrangement that transfers to another Person, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise; or (iii) publicly announce of any intention to effect any transaction, including the filing of a registration statement, as specified in clause (i) or (ii) (the actions specified in clauses (i)-(iii), collectively, a "**Transfer**") any Lock-Up Shares.

Regulation S

Regulation S under the Securities Act provides an exemption from registration requirements in the United States for offers and sales of securities that occur outside the United States. Rule 903 of Regulation S provides the conditions to the exemption for a sale by an issuer, a distributor, their respective affiliates or anyone acting on their behalf, while Rule 904 of Regulation S provides the conditions to the exemption for a resale by persons other than those covered by Rule 903. In each case, any sale must be completed in an offshore transaction, as that term is defined in Regulation S, and no directed selling efforts, as that term is defined in Regulation S, may be made in the United States.

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Rule 144

Rule 144 under the Securities Act ("**Rule 144**") is not available for the resale of securities initially issued by shell companies (other than business combination related shell companies) or issuers that have been at any time previously a shell company. However, Rule 144 also includes an important exception to this prohibition if the following conditions are met:

- the issuer of the securities that was formerly a shell company has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

As a result, the Sponsors, the Company Shareholders and the Sponsor Key Holders will be able to sell their shares and warrants of CayCo as applicable, pursuant to Rule 144 without registration one year after the Closing of the Business Combination.

It is anticipated that following the consummation of the Business Combination, CayCo will no longer be a shell company, and so, once the conditions set forth in the exceptions listed above are satisfied, Rule 144 will become available for the resale of the above noted restricted securities.

Pursuant to Rule 144, a person who has beneficially owned restricted shares of the Post-Closing Company's securities for at least six months would, subject to the restrictions noted in the section below, be entitled to sell their securities provided that (i) such person is not deemed to have been one of the affiliates of the Post-Closing Company at the time of, or at any time during the three months preceding, a sale and (ii) the Post-Closing Company is subject to the Exchange Act periodic reporting requirements for at least three months before the sale and has filed all required reports under Section 13 or 15(d) of the Exchange Act during the 12 months (or such shorter period as CayCo was required to file reports) preceding the sale.

Persons who have beneficially owned restricted shares or warrants of the Post-Closing Company for at least six months but who are affiliates of the Post-Closing Company at the time of, or at any time during the three months preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of:

- 1% of the total number of the CayCo Ordinary Shares then outstanding; or
- the average weekly reported trading volume of the CayCo Ordinary Shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales by affiliates of the Post-Closing Company under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about the Post-Closing Company.

Registration Rights

Pursuant to a registration rights agreement, as amended, among Chenghe, the Old SPAC Sponsor, the New SPAC Sponsor, Chenghe granted certain customary registration rights to the Sponsors for resale under the Securities Act of the Founder Shares, the Converted SPAC Public Shares, SPAC Private Placement Warrants and warrants converted from Working Capital Loans (if any). The holders of these securities are entitled to make up to three demands, excluding short form demands, that Chenghe register such securities, at any time and from time to time after Chenghe consummates a business combination. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to Chenghe's completion of its initial business combination. Chenghe agreed to bear the expenses incurred in connection with the filing of any such registration statement.

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The Business Combination Agreement contemplates that, at the Closing, CayCo, Merger Sub, Chenghe, the Sponsors and certain shareholders of FST will enter into an investor rights agreement, to be effective as of the Closing. Pursuant to such investor rights agreement, among other things, CayCo agrees to file a registration statement covering the resale of all the Registrable Securities (as defined therein) within thirty days of the Closing Date and use commercially reasonable efforts to cause such registration statement to be declared effective as soon as practicable thereafter but no later than the earlier of (a) the thirtieth calendar day following the filing date of such registration statement if the SEC notifies CayCo that it will "review" the registration statement, and (b) the tenth Business Day after the date CayCo is notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be "reviewed" or will not be subject to further review. CayCo has also agreed to provide customary "piggyback" registration rights with respect to such registrable securities and, subject to certain circumstances, to file a resale shelf registration statement to register the resale under the Securities Act of such registrable securities.

The investor rights agreement also provides that CayCo will pay certain expenses relating to such registrations and indemnify the securityholders against certain liabilities. The rights granted under the investor rights agreement supersede any prior registration, qualification or similar rights of the parties with respect to their CayCo securities.

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DESCRIPTION OF SECURITIES

Securities of Chenghe prior to the Business Combination

As of the date hereof, Chenghe Acquisition I Co. (f.k.a. LatAmGrowth SPAC) has three classes of securities registered under Section 12 of the Exchange Act: SPAC Units, SPAC Public Warrants and SPAC Class A Ordinary Shares. The following summary of the material terms of the securities of Chenghe prior to the Business Combination is not intended to be a complete summary of the rights and preferences of such securities and is subject to and qualified by references to the Chenghe Articles incorporated by reference as Annex G. You are urged to read the Chenghe Articles in their entirety for a complete description of the rights and preferences of Chenghe securities. In this section, “we,” “us,” “our” and “Company” refers to Chenghe.

General

We are a Cayman Islands exempted company with limited liability and our affairs are governed by Chenghe Articles, the Cayman Companies Act and the common law of the Cayman Islands. Pursuant to Chenghe Articles, we are authorized to issue 200,000,000 SPAC Class A Ordinary Shares of a par value of \$0.0001 each, and 20,000,000 SPAC Class B Ordinary Shares of a par value of \$0.0001 each, as well as 1,000,000 preference shares of a par value of \$0.0001 each. The following description summarizes certain terms of our securities as set out more particularly in Chenghe Articles.

Because it is only a summary, it may not contain all the information that is important to you.

Units

Each SPAC Unit consists of one SPAC Class A Ordinary Share and one-half of one SPAC Public Warrant. Each whole SPAC Public Warrant entitles the holder thereof to purchase one SPAC Class A Ordinary Share at a price of \$11.50 per share, subject to adjustment as described below. Pursuant to the warrant agreement entered into in connection with the SPAC IPO, a warrant holder may exercise its warrants only for a whole number of the SPAC Class A Ordinary Shares. This means only a whole warrant may be exercised at any given time by a warrant holder.

SPAC Units are listed on the Nasdaq under the symbol “LATGU.” On March 17, 2022, the SPAC Class A Ordinary Shares and SPAC Public Warrants comprising the SPAC Units began separate trading on the Nasdaq under the symbols “LATG” and “LATGW,” respectively. Upon commencement of separate trading, holders have the option to continue to hold SPAC Units or separate the SPAC Units into component securities. Holders need to have their brokers contact SPAC Transfer Agent for such separation.

On September 8, 2023, Nasdaq delisted the SPAC Public Warrants due to SPAC’s failure to maintain a minimum of \$1,000,000 in aggregate market value of its outstanding SPAC Public Warrants, as set forth in Nasdaq’s Listing Rule 5452(b)(C). Chenghe has not made any application to list the SPAC Public Warrants on the OTC markets, and Chenghe is not aware of any plan of CayCo to apply for the listing of CayCo Warrant on any stock exchange after the Closing. For more information, please see “*Risk Factors — SPAC Public Warrants have been delisted from Nasdaq.*” Those SPAC Units not separated continue to trade on the Nasdaq. No fractional warrant was issued upon separation of the units and only whole warrants will trade.

Ordinary Shares

As of the date hereof, 5,000,000 SPAC Class A Ordinary Shares, including 1,058,127 Converted SPAC Public Shares and 3,941,873 SPAC Public Shares, and 2,191,873 SPAC Class B Ordinary Shares were issued and outstanding.

Ordinary shareholders of record are entitled to one vote for each share held on all matters to be voted on by shareholders. Holders of SPAC Class A Ordinary Shares and holders of SPAC Class B Ordinary Shares will vote together as a single class on all matters submitted to a vote of our shareholders except as required by law. Unless specified in Chenghe Articles, or as required by applicable provisions of the Cayman Companies Act or applicable stock exchange rules, the affirmative vote of a majority of SPAC Ordinary Shares that are voted is required to approve any such matter voted on by our shareholders. Approval of certain actions will require a special resolution under Cayman Islands law, which requires the affirmative vote of a majority of at least two-thirds of the shareholders who

attend and vote at a general meeting of the company, and pursuant to Chenghe Articles; such actions include amending Chenghe Articles and approving a statutory merger or consolidation with another company. Our board of directors is divided into three classes, each of which will generally serve for a term of three years with only one

class of directors being appointed in each year. There is no cumulative voting with respect to the appointment of directors, with the result that the holders of more than 50% of the shares voted for the appointment of directors can appoint all of the directors. However, only holders of SPAC Class B Ordinary Shares have the right to appoint or remove directors in any general meeting held prior to or in connection with the completion of our initial business combination, meaning that holders of SPAC Class A Ordinary Shares do not have the right to appoint any directors until after the completion of our initial business combination. Our shareholders are entitled to receive ratable dividends when, as and if declared by the board of directors out of funds legally available thereof.

Because Chenghe Articles authorize the issuance of up to 200,000,000 SPAC Class A Ordinary Shares, if we were to enter into a business combination, we may (depending on the terms of such a business combination) be required to increase the number of SPAC Class A Ordinary Shares which we are authorized to issue at the same time as our shareholders vote on the business combination to the extent we seek shareholder approval in connection with our initial business combination.

In accordance with Nasdaq corporate governance requirements, we are not required to hold an annual general meeting until one year after our first fiscal year end following our listing on Nasdaq. There is no requirement under the Cayman Companies Act for us to hold annual or extraordinary general meetings or appoint directors. We do not plan to hold an annual general meeting to appoint new directors prior to the consummation of our initial business combination.

We will provide our SPAC Public Shareholders with the opportunity to redeem all or a portion of their public shares upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account calculated as of two (2) Business Days prior to the consummation of our initial business combination, including interest earned on the funds held in the Trust Account and not previously released to us to pay our taxes, divided by the number of then issued and outstanding public shares, subject to the limitations and on the conditions described herein. The per share amount we will distribute to investors who properly redeem their shares will not be reduced by the deferred underwriting commissions that we pay to the underwriters of our initial public offering. Our Sponsors have entered into a letter agreement with us, pursuant to which they have agreed to waive their redemption rights with respect to their Founder Shares, Converted SPAC Public Shares and other SPAC Public Shares they may acquire in connection with the completion of our initial business combination. Unlike many special purpose acquisition companies that hold shareholder votes and conduct proxy solicitations in conjunction with their initial business combinations and provide for related redemptions of public shares for cash upon completion of such initial business combinations even when a vote is not required by law, if a shareholder vote is not required by law and we do not decide to hold a shareholder vote for business or other legal reasons, we will, pursuant to Chenghe Articles, conduct the redemptions pursuant to the tender offer rules of the SEC, and file tender offer documents with the SEC prior to completing our initial business combination. Chenghe Articles require these tender offer documents to contain substantially the same financial and other information about our initial business combination and the redemption rights as is required under the SEC's proxy rules. If, however, a shareholder approval of the transaction is required by law, or we decide to obtain shareholder approval for business or other reasons, we will, like many special purpose acquisition companies, offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If we seek shareholder approval, we will complete our initial business combination only if we receive an ordinary resolution under Cayman Islands law, which requires the affirmative vote of at least a majority of the shareholders who attend and vote at a general meeting of the company. For purposes of seeking approval of an ordinary resolution, non-votes will have no effect on the approval of our initial business combination once a quorum is obtained. Chenghe Articles require that at least five clear days' notice will be given of any general meeting.

If we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, Chenghe Articles provide that a SPAC Public Shareholder holding more than an aggregate of 15% of, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13(d)(3) of the Exchange Act), will be restricted from redeeming its shares with respect to the shares exceeding 15% of the aggregate SPAC Class A Ordinary Shares issued and outstanding (the "**excess shares**") without our prior consent. However, we would not be restricting our shareholders' ability to vote all of their shares (including excess shares) for

or against our initial business combination. Our shareholders' inability to redeem the excess shares will reduce their influence over our ability to complete our initial business combination, and such shareholders could suffer a material loss in their investment if they sell such excess shares on the open market. Additionally, such shareholders will not receive redemption distributions with respect to the excess shares if we complete our initial business combination. And, as a result, such shareholders will continue to hold the excess shares and, in order to dispose such shares would be required to sell their shares in open market transactions, potentially at a loss.

The Converted SPAC Public Shares are identical to the SPAC Public Shares, except that (i) they are entitled to registration rights, (ii) they are subject to the transfer restrictions as set forth in the SPAC IPO Letter Agreement, (iii) pursuant to the SPAC IPO Letter Agreement, the Sponsors agreed to waive their redemption rights with respect to the Converted SPAC Public Shares in connection with (A) the SPAC's initial business combination, (B) a shareholder vote to approve an amendment to the SPAC's constitutional documents to (x) modify the substance or timing of the SPAC's obligation to allow redemption in connection with the SPAC's initial business combination, or to redeem 100% of SPAC Public Shares if SPAC has not completed an initial business combination by the Extended Deadline or (y) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity.

If we seek shareholder approval in connection with our initial business combination, our Sponsors have agreed to vote their Founder Shares and Converted SPAC Public Shares in favor of our initial business combination. Any public shares purchased in the public market subsequent to the SPAC IPO will not be voted in favor of the initial business combination. Additionally, each Public Shareholder may elect to redeem their public shares irrespective of whether they vote for or against the proposed transaction or whether they were a Public Shareholder on the record date for the shareholder meeting held to approve the proposed transaction.

Pursuant to Chenghe Articles, if we are unable to complete our initial business combination by the Extended Deadline, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten (10) Business Days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then issued and outstanding public shares, which redemption will completely extinguish Public Shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, liquidate and dissolve, subject in each case to our obligations under Cayman Islands law to provide for claims of creditors and other requirements of applicable law. Our Sponsors have entered into a letter agreement with us, pursuant to which they have agreed to waive their rights to liquidating distributions from the Trust Account with respect to their Founder Shares and Converted SPAC Public Shares if we fail to complete our initial business combination by the Extended Deadline. However, if our Sponsors or management team acquire public shares through the public market after the SPAC IPO, they will be entitled to liquidating distributions from the Trust Account with respect to such SPAC Public Shares if we fail to complete our initial business combination within the prescribed time period.

In the event of a liquidation, dissolution or winding up of the company after a business combination, our shareholders are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of shares, if any, having preference over the Ordinary Shares. Our shareholders have no preemptive or other subscription rights. There are no sinking fund provisions applicable to the Ordinary Shares, except that we will provide our Public Shareholders with the opportunity to redeem their public shares for cash at a per share price equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to us to pay our taxes, divided by the number of then issued and outstanding public shares, upon the completion of our initial business combination, subject to the limitations and on the conditions described herein.

Founder Shares

The Founder Shares are designated as SPAC Class B Ordinary Shares and, except as described below, are identical to the SPAC Public Shares included in the SPAC Units sold in the SPAC IPO, and holders of Founder Shares have the same shareholder rights as Public Shareholders, except that (i) prior to our initial business combination, only holders of the Founder Shares have the right to vote on the appointment of directors and holders of a majority of our Founder

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Shares may remove a member of the board of directors for any reason, (ii) the Founder Shares are subject to certain transfer restrictions, as described in more detail below, (iii) the Founder Shares are entitled to registration rights, (iv) our Sponsors have entered into a letter agreement with us, pursuant to which they have agreed to (A) waive their redemption rights with respect to their Founder Shares, Converted SPAC Public Shares and other SPAC Public Shares they may acquire in connection with the completion of our initial business combination, (B) waive their redemption rights with respect to their Founder Shares, Converted SPAC Public Shares and other SPAC Public Shares they may acquire in connection with a shareholder vote to approve an amendment to our amended and restated memorandum and articles of association (as it may be amended from time to time) (1) to modify the substance or timing of our obligation to allow redemption in connection with our initial business

combination or to redeem 100% of our public shares if we have not consummated an initial business combination by the Extended Deadline or (2) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity, (C) waive their rights to liquidating distributions from the Trust Account with respect to their Founder Shares and Converted SPAC Public Shares if we fail to complete our initial business combination by the Extended Deadline, although they will be entitled to liquidating distributions from the Trust Account with respect to any SPAC Public Shares they acquire through the public market if we fail to complete our initial business combination within such time period and (D) vote any Founder Shares and Converted SPAC Public Shares held by them in favor of our initial business combination, (v) the Founder Shares may be converted into a SPAC Class A Ordinary Shares on a one-for-one basis at any time, at the election of a holder of Founder Shares, before, concurrently with or immediately following the consummation of the initial business combination, and (vi) only holders of Founder Shares will have the right to appoint directors prior to the completion of our initial business combination. For the avoidance of doubt, holders of Founder Shares will not vote any SPAC Ordinary Shares that they acquired in connection with any purchase made in compliance with Rule 14e-5 of the Exchange Act in favor of the Business Combination.

Pursuant to the Business Combination Agreement, the Founder Shares will automatically convert into SPAC Class A Ordinary Shares at the Merger Effective Time on a one-for-one basis, and the Founder Shares will no longer be issued and outstanding and shall automatically be canceled. Pursuant to the SPAC IPO Letter Agreement, with certain limited exceptions, the Founder Shares and the Converted SPAC Public Shares are not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with any of our Sponsors, each of whom will be subject to the same transfer restrictions) until the earlier of (A) one year after the completion of our initial business combination or earlier if, subsequent to our initial business combination, the closing price of the SPAC Class A Ordinary Shares equals or exceeds \$12.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, and (B) the date following the completion of our initial business combination on which we complete a liquidation, merger, share exchange or other similar transaction that results in all of our shareholders having the right to exchange their SPAC Class A Ordinary Shares for cash, securities or other property. The Business Combination Agreement provides that concurrently with the closing of the Business Combination, at the consummation of the Business Combination, CayCo, the Sponsors, certain Company Shareholders and the Sponsor Key Holders will enter into a Lock-Up Agreement to be effective at closing, pursuant to which, the Sponsors and the Sponsor Key Holders will agree to, among other things, to not transfer the CayCo Ordinary Shares they hold immediately following the Closing (excluding any CayCo Ordinary Shares sold in the PIPE Investment or acquired in the public market). See the section titled "*The Business Combination Agreement and Ancillary Documents — Lock-Up Agreement.*"

Preference Shares

Chenghe Articles authorize the issuance of 1,000,000 Chenghe Preference Shares and provide that Chenghe Preference Shares may be issued from time to time in one or more series. Our board of directors is authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. Our board of directors will be able to, without shareholder approval, issue Chenghe Preference Shares with voting and other rights that could adversely affect the voting power and other rights of the holders of the Ordinary Shares and could have anti-takeover effects. The ability of our board of directors to issue Chenghe Preference Shares without shareholder approval could have the effect of delaying, deferring or preventing a change of control of us or the removal of existing management. We have no Chenghe Preference Shares issued and outstanding at the date hereof. Although we do not currently intend to issue any shares of Chenghe Preference Shares, we cannot assure you that we will not do so in the future.

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Warrants — Public Warrants

Each whole SPAC Public Warrant entitles the registered holder to purchase one SPAC Class A Ordinary Share at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing 30 days after the completion of our initial business combination, provided that we have an effective registration statement under the Securities Act covering the shares issuable upon exercise of the warrants and a current prospectus relating to them is available (or we permit holders to exercise their warrants on a cashless basis under the circumstances specified in the warrant agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of SPAC Class A Ordinary Shares. This means only a whole warrant may be exercised at a given time by a warrant holder. No fractional warrant was issued upon separation of the SPAC Units and only whole warrants trade. Accordingly, unless you

purchase at least two units, you will not be able to receive or trade a whole warrant. The warrants will expire five years after the completion of our initial business combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any SPAC Class A Ordinary Shares pursuant to the exercise of a SPAC Public Warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the SPAC Class A Ordinary Shares underlying the SPAC Public Warrants then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration. No warrant will be exercisable and we will not be obligated to issue a SPAC Class A Ordinary Share upon exercise of a warrant unless the SPAC Class A Ordinary Share issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a SPAC Public Warrant, the holder of such SPAC Public Warrant will not be entitled to exercise such warrant and such SPAC Public Warrant may have no value and expire worthless. In no event will we be required to net cash settle any SPAC Public Warrant. In the event that a registration statement is not effective for the exercised warrants, the purchaser of a unit containing such warrant will have paid the full purchase price for the unit solely for the SPAC Class A Ordinary Share underlying such unit.

We have agreed that as soon as practicable, but in no event later than fifteen (15) Business Days after the closing of our initial business combination, we will use our commercially reasonable efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the SPAC Class A Ordinary Shares issuable upon exercise of the SPAC Public Warrant. We will use commercially reasonable efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the SPAC Public Warrant in accordance with the provisions of the warrant agreement. If a registration statement covering the SPAC Class A Ordinary Shares issuable upon exercise of the SPAC Public Warrants is not effective by the sixtieth (60th) Business Day after the closing of our initial business combination, SPAC Public Warrant holders may, until such time as there is an effective registration statement and during any period when we will have failed to maintain an effective registration statement, exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if our SPAC Class A Ordinary Shares are at the time of any exercise of a SPAC Public Warrant not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of SPAC Public Warrant who exercise their SPAC Public Warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, and in the event we do not so elect, we will use our commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the SPAC Public Warrants for that number of SPAC Class A Ordinary Shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of SPAC Class A Ordinary Shares underlying the warrants, multiplied by the excess of the “fair market value” (defined below) less the exercise price of the warrants by (y) the fair market value and (B) 0.361 SPAC Class A Ordinary Shares per warrant. The “fair market value” as used in this paragraph shall mean the volume weighted average price of the SPAC Class A Ordinary Shares for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

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Redemption of warrants when the price per SPAC Class A Ordinary Share equals or exceeds \$18.00. Once the SPAC Public Warrants become exercisable, we may call the outstanding SPAC Public Warrants for redemption (except for so long as they are held by our Sponsors or its permitted transferees):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days prior written notice of redemption (the “30-day redemption period”) to each warrant holder; and
- if, and only if, the reported closing price of the SPAC Class A Ordinary Shares equals or exceeds \$18.00 per share (as adjusted) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which before we send the notice of redemption to the warrant holders.

We will not redeem the warrants as described above unless a registration statement under the Securities Act covering the issuance of the SPAC Class A Ordinary Shares issuable upon exercise of the warrants is then effective and a current prospectus relating to those SPAC Class A Ordinary Shares is available throughout the 30 day redemption period. If and when the SPAC Public Warrants become redeemable by us, we may exercise our

redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have established the last of the redemption criteria discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its SPAC Public Warrant prior to the scheduled redemption date. Any such exercise would not be done on a “cashless” basis and would require the exercising warrant holder to pay the exercise price for each warrant being exercised. However, the price of the SPAC Class A Ordinary Shares may fall below the \$18.00 redemption trigger price (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) as well as the \$11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

Redemption of warrants when the price per SPAC Class A Ordinary Share equals or exceeds \$10.00.

Once the SPAC Public Warrants become exercisable, we may call the outstanding SPAC Public Warrants for redemption (except for so long as they are held by our Sponsors or its permitted transferees):

- in whole and not in part;
- at \$0.10 per warrant upon a minimum of 30 days’ prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the “fair market value” of our Class A ordinary shares (as defined below);
- if, and only if, the Reference Value equals or exceeds \$10.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like); and
- if the Reference Value is less than \$18.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like), the private placement warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants, as described above.

The numbers in the table below represent the number of Class A ordinary shares that a warrant holder will receive upon exercise in connection with a redemption by us pursuant to this redemption feature, based on the “fair market value” of our Class A ordinary shares on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for \$0.10 per warrant), determined based on volume-weighted average price of our Class A ordinary shares as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. We will provide our warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

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Pursuant to the warrant agreement, references above to Class A ordinary shares shall include a security other than Class A ordinary shares into which the Class A ordinary shares have been converted or exchanged for in the event we are not the surviving company in our initial business combination.

The numbers in the table below will not be adjusted when determining the number of Class A ordinary shares to be issued upon exercise of the warrants if we are not the surviving entity following our initial business combination.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant or the exercise price of the warrant is adjusted as set forth under the heading “— *Anti-dilution Adjustments*” below. If the number of shares issuable upon exercise of a warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the exercise price of the warrant after such adjustment and the denominator of which is the price of the warrant immediately prior to such adjustment. In such an event, the number of shares in the table below shall be adjusted by multiplying such share amounts by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. If the exercise price of the warrant is adjusted as a result of raising capital in connection with the initial business combination, the adjusted share prices in the column headings will be multiplied by a fraction, the numerator of which is the higher of the Market Value and the Newly Issued Price as set forth under the heading “— *Anti-dilution Adjustments*” and the denominator of which is \$10.00.

Redemption Date (period)	Fair Market Value of Class A Ordinary Shares

to expiration of warrants)	≤\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$17.00	≥\$18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of Class A ordinary shares to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume-weighted average price of our Class A ordinary shares as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 Class A ordinary shares for each whole warrant.

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For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume-weighted average price of our Class A ordinary shares as reported during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 Class A ordinary shares for each whole warrant. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 Class A ordinary shares per warrant (subject to adjustment).

This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the Class A ordinary shares are trading at or above \$10.00 per share, which may be at a time when the trading price of our Class A ordinary shares is below the exercise price of the warrants. We have established this redemption feature to provide us with the flexibility to redeem the warrants without the warrants having to reach the \$18.00 per share threshold set forth above under “— *Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds \$18.00.*” Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares for their warrants based on an option pricing model with a fixed volatility input as of the date of the IPO prospectus. This redemption right provides us with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to our capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. We will be required to pay the applicable redemption price to warrant holders if we choose to exercise this redemption right and it will allow us to quickly proceed with a redemption of the warrants if we determine it is in our best interest to do so. As such, we would redeem the warrants in this manner when we believe it is in our best

interest to update our capital structure to remove the warrants and pay the redemption price to the warrant holders. As stated above, we can redeem the warrants when the Class A ordinary shares are trading at a price starting at \$10.00, which is below the exercise price of \$11.50, because it will provide certainty with respect to our capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If we choose to redeem the warrants when the Class A ordinary shares are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer Class A ordinary shares than they would have received if they had chosen to wait to exercise their warrants for Class A ordinary shares if and when such Class A ordinary shares were trading at a price higher than the exercise price of \$11.50.

No fractional Class A ordinary shares will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, we will round down to the nearest whole number of the number of Class A ordinary shares to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the Class A ordinary shares pursuant to the warrant agreement (for instance, if we are not the surviving company in our initial business combination), the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the Class A ordinary shares, SPAC (or surviving company) will use its commercially reasonable efforts to register under the Securities Act the security issuable upon the exercise of the warrants.

Redemption procedures

A holder of a warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.9% or 9.8% (or such other amount as a holder may specify) of the SPAC Class A Ordinary Shares issued and outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments

If the number of issued and outstanding SPAC Class A Ordinary Shares is increased by a share capitalization payable in SPAC Class A Ordinary Shares, or by a split-up of SPAC Class A Ordinary Shares or other similar event, then, on the effective date of such share capitalization or share dividend, split-up or similar event, the number of SPAC Class A Ordinary Shares issuable on exercise of each warrant will be increased in proportion to such increase in the issued and outstanding Ordinary Shares. A rights offering to holders of SPAC Class A Ordinary Shares entitling holders to purchase SPAC Class A Ordinary Shares at a price less than the "historical fair market value" (as defined below) will be deemed a share capitalization of a number of SPAC Class A Ordinary Shares equal to the product of (i) the number of SPAC Class A Ordinary Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for SPAC Class A Ordinary Shares)

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and multiplied by (ii) one minus the quotient of (x) the price per SPAC Class A Ordinary Share paid in such rights offering and divided by (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for SPAC Class A Ordinary Shares, in determining the price payable for SPAC Class A Ordinary Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) "historical fair market value" means the volume weighted average price of SPAC Class A Ordinary Shares as reported during the 10 trading day period ending on the trading day prior to the first date on which the SPAC Class A Ordinary Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to holders of SPAC Class A Ordinary Shares on account of such SPAC Class A Ordinary Shares (or other securities into which the warrants are convertible), other than (a) as described above, (b) any cash dividends, (c) to satisfy the redemption rights of the holders of SPAC Class A Ordinary Shares in connection with a proposed initial business combination, or (d) in connection with the redemption of our public shares upon our failure to complete our initial business combination, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each SPAC Class A Ordinary Share in respect of such event.

If the number of issued and outstanding SPAC Class A Ordinary Shares is decreased by a consolidation, combination, reverse share sub-division or reclassification of SPAC Class A Ordinary Shares or other similar event, then, on the effective date of such consolidation, combination, reverse share sub-division, reclassification or similar event, the number of SPAC Class A Ordinary Shares issuable on exercise of each warrant will be

decreased in proportion to such decrease in issued and outstanding SPAC Class A Ordinary Shares.

Whenever the number of SPAC Class A Ordinary Shares purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of SPAC Class A Ordinary Shares purchasable upon the exercise of the warrants immediately prior to such adjustment and (y) the denominator of which will be the number of SPAC Class A Ordinary Shares so purchasable immediately thereafter.

In addition, if (x) we issue additional SPAC Class A Ordinary Shares or equity-linked securities, for capital raising purposes in connection with the closing of our initial business combination at an issue price or effective issue price of less than \$9.20 per SPAC Class A Ordinary Share (with such issue price or effective issue price to be determined in good faith by our board of directors and, in the case of any such issuance to our initial shareholders or their affiliates, without taking into account any founder shares held by our initial shareholders or such affiliates, as applicable, prior to such issuance) (the “Newly Issued Price”), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the consummation of our initial business combination (net of redemptions), and (z) the volume weighted average trading price of our SPAC Class A Ordinary Shares during the 10-trading day period starting on the trading day prior to the day on which we consummate our initial business combination (such price, the “Market Value”) of our SPAC Class A Ordinary Shares is below \$9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, the \$18.00 per share redemption trigger price described adjacent to “Redemption of Warrants When the Price Per SPAC Class A Ordinary Share Equals or Exceeds \$18.00” will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price, and the \$10.00 per share redemption trigger price described adjacent to “Redemption of Warrants When the Price Per SPAC Class A Ordinary Share Equals or Exceeds \$10.00” will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price/*.

In case of any reclassification or reorganization of the issued and outstanding SPAC Class A Ordinary Shares (other than those described above or that solely affects the par value of such SPAC Class A Ordinary Shares), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our issued and outstanding SPAC Class A Ordinary Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the SPAC Class A Ordinary Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of SPAC Class A Ordinary Shares or other securities or property (including cash) receivable upon such reclassification,

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reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of SPAC Class A Ordinary Shares in such a transaction is payable in the form of SPAC Class A Ordinary Shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the Black-Scholes Warrant Value (as defined in the warrant agreement) of the warrant. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants.

The warrants have been issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision or to make any amendments that are necessary in the good faith determination of SPAC Board (taking into account then existing market precedents) to allow for the warrants to be classified as equity in SPAC’s financial statements, but otherwise requires the approval by the holders of at least 65% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders. You should review a copy of the warrant agreement, which is filed as an exhibit to the Current Report on Form 8-K filed with the SEC on January 27, 2022, for a complete description of the terms and conditions applicable to the warrants.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at

the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of Ordinary Shares and any voting rights until they exercise their warrants and receive SPAC Class A Ordinary Shares. After the issuance of SPAC Class A Ordinary Shares upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

We have agreed that, subject to applicable law, any action, proceeding or claim against us arising out of or relating in any way to our warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and we irrevocably submit to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

Warrants — Private Placement Warrants

The private placement warrants (including the SPAC Class A Ordinary Shares issuable upon exercise of such warrants) will not be transferable, assignable or salable until 30 days after the completion of our initial business combination (except, among other limited exceptions, to our officers and directors and other persons or entities affiliated with our New SPAC Sponsor) and they will not be redeemable by us so long as they are held by our New SPAC Sponsor, members of our New SPAC Sponsor or their permitted transferees. The New SPAC Sponsor or its permitted transferees, have the option to exercise the private placement warrants on a cashless basis. Except as described below, the private placement warrants have terms and provisions that are identical to those of the public warrants. If the private placement warrants are held by holders other than the New SPAC Sponsor or its permitted transferees, the private placement warrants will be redeemable by us and exercisable by the holders on the same basis as the warrants included in the units sold in our initial public offering.

Except as described under “— *Redemption of warrants when the price per SPAC Class A Ordinary Share equals or exceeds \$10.00,*” if holders of the private placement warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of SPAC Class A Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of SPAC Class A Ordinary Shares underlying the warrants, multiplied by the excess of the “historical fair market value” of our SPAC Class A Ordinary Shares (defined below) over the exercise price of the warrants by (y) the fair market value. The “historical fair market value” will mean the average reported closing price of the Class A ordinary shares for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant agent. The reason that we have agreed

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that these warrants will be exercisable on a cashless basis so long as they are held by the New SPAC Sponsor or its permitted transferees is because it is not known at this time whether they will be affiliated with us following a business combination. If they remain affiliated with us, their ability to sell our securities in the open market will be significantly limited. We expect to have policies in place that prohibit insiders from selling our securities except during specific periods of time. Even during such periods of time when insiders will be permitted to sell our securities, an insider cannot trade in our securities if he or she is in possession of material non-public information. Accordingly, unlike Public Shareholders who could exercise their warrants and sell the SPAC Class A Ordinary Shares received upon such exercise freely in the open market in order to recoup the cost of such exercise, the insiders could be significantly restricted from selling such securities. As a result, we believe that allowing the holders to exercise such warrants on a cashless basis is appropriate.

Forward Purchase Units

We entered into a forward purchase agreement with the affiliate of the Old SPAC Sponsor, pursuant to which such affiliate committed that it will purchase from us up to 4,000,000 forward purchase units, consisting of one Class A ordinary share (the “forward purchase shares”) and one-half of one warrant to purchase one Class A ordinary share (the “forward purchase warrants”), for \$10.00 per unit, or an aggregate amount of up to \$40.0 million, in a private placement that will close concurrently with the closing of our initial business combination. The forward purchase agreement requires us to deliver a notice to the forward purchaser 10 business days prior to the signing of any definitive document for a business combination, setting forth the number of forward purchase units that it desires to purchase. Within five business days of receipt of such notice, the forward purchaser will inform SPAC the number of forward purchase units that it wishes to purchase, which shall constitute binding obligations of the forward purchasers. The Company did not deliver a notice to the forward purchase in connection with the signing of the Business Combination Agreement, and therefore, the forward purchaser is not obligated to purchase any forward purchase units under the forward purchase agreement.

Dividends

We have not paid any cash dividends on our ordinary shares to date and do not intend to pay cash dividends prior to the completion of a business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of a business combination. The payment of any cash dividends subsequent to a business combination will be within the discretion of our board of directors at such time. If we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

Our Transfer Agent and Warrant Agent

The transfer agent for our ordinary shares and warrant agent for our warrants is Continental Stock Transfer & Trust Company. We have agreed to indemnify Continental Stock Transfer & Trust Company in its roles as transfer agent and warrant agent, its agents and each of its shareholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity. Continental Stock Transfer & Trust Company has agreed that it has no right of set-off or any right, title, interest or claim of any kind to, or to any monies in, the trust account, and has irrevocably waived any right, title, interest or claim of any kind to, or to any monies in, the trust account that it may have now or in the future. Accordingly, any indemnification provided will only be able to be satisfied, or a claim will only be able to be pursued, solely against us and our assets outside the trust account and not against the any monies in the trust account or interest earned thereon.

Certain Differences in Corporate Law

Cayman Islands companies are governed by the Cayman Companies Act. The Cayman Companies Act is derived, to a large extent, from the older Companies Acts of England and Wales but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Cayman Companies Act and the current Companies Act of the UK. In addition, the Cayman Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the material differences between the provisions of the Cayman Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

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Mergers and Similar Arrangements. In certain circumstances, the Cayman Companies Act allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands exempted company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction). For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a “consolidation” means the combination of two or more constituent companies into a new consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company.

Where the merger or consolidation is between two Cayman Islands companies, the directors of each constituent company must approve a written plan of merger or consolidation containing certain prescribed information. That plan of merger or consolidation must then be authorized by (a) a special resolution (a majority of at least two-thirds of such members as are entitled to vote at a general meeting or such higher number as may be specified in the constituent company’s memorandum and articles of association) of the shareholders of each company; and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company if a copy of the plan of merger is given to every member of each subsidiary company to be merged unless that member agrees otherwise. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the Grand Court of the Cayman Islands waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Cayman Companies Act (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation.

Where the merger or consolidation involves a foreign company and the surviving or consolidated company is the foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of

those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company or consolidated company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidation is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures (and other requirements specified in the Cayman Companies Act) are adopted, the Cayman Companies Act provides for a right of dissenting shareholders to be paid a payment of the fair value of their shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows: (a) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (b) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice of such approval to each shareholder who made a written objection; (c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his decision to dissent in respect of all of his shares including, among other details, a demand for payment of the fair value

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of his shares; (d) within seven days following the date of the expiration of the period set out in paragraph (c) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the dissenting shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the dissenting shareholder such amount; and (e) if the company and the dissenting shareholder fail to agree a price within such 30 day period, within 20 days following the date on which such 30-day period expires, the company must (and any dissenting shareholder may) file a petition with the Grand Court of the Cayman Islands to determine the fair value, and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the Grand Court of the Cayman Islands has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date, or where the consideration for such shares in respect of the proposed merger or consolidation are shares of any other company listed on a national securities exchange at the effective date of the merger or consolidation or shares of the surviving or consolidated company.

Moreover, Cayman Islands law has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, schemes of arrangement will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a “scheme of arrangement” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement between the company and its members or any class of them (the procedures for which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by 75% in value of shareholders that are present and voting either in person or by proxy at a meeting summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that

the transaction should not be approved, the court can generally be expected to sanction the scheme of arrangement if it satisfies itself that:

- the arrangement is a ‘compromise or arrangement’ within the meaning of section 86 and is not one that would more properly be sanctioned under some other provision of the Cayman Companies Act;
- the company is not proposing to act illegally or beyond the scope of its corporate authority, the requisite meetings have been properly convened and the statutory provisions as to majority vote have been achieved;
- the scheme document has provided all the material information reasonably required to enable a scheme shareholder to come to an informed decision on the merits of the scheme;
- the scheme shareholders have been fairly represented at the meeting in question and there is no reason to believe that the views of the majority who voted in favour of the scheme did not fairly represent the views of the scheme shareholders as a whole, or that they were not acting *bona fide* or subject to coercion;
- the scheme of arrangement is such as a fair and an intelligent and honest person acting in respect of their interest would reasonably approve; and
- there is no good reason for the Court to exercise its discretion not to sanction the scheme.

If a scheme of arrangement or takeover offer (as described below) is approved, the scheme would be binding on all the members or class of members as the case may be, and any dissenting shareholder would have no rights comparable to appraisal rights (providing rights to receive payment in cash for the judicially determined value of the shares), which would otherwise ordinarily be available to dissenting shareholders of United States corporations.

Squeeze-out Provisions. When a takeover offer is made and accepted by holders of 90% of the shares to whom the offer relates is made within four months, the offeror may, within a two-month period, issue a notice requiring the holders of the remaining shares to transfer such shares on the terms of the offer unless, on an application made by a dissenting shareholder within one month from the date on which the notice was given, the Court thinks fit to order otherwise.

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Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through means other than these statutory provisions, such as a share capital exchange, asset acquisition or control, or through contractual arrangements, of an operating business.

Shareholders’ Suits. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, the company will normally be the proper plaintiff in any claim based on a breach of duty owed to it, and a claim against (for example) its officers or directors usually may not be brought by a shareholder. However, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could only be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a “fraud on the minority.”

A shareholder may have a direct right of action against the company or its officers or directors where the individual rights of that shareholder have been infringed or are about to be infringed.

Enforcement of Civil Liabilities. The Cayman Islands has a different body of securities laws as compared to the United States and provides less protection to investors. Additionally, Cayman Islands companies may not have standing to sue before the Federal courts of the United States.

The courts of the Cayman Islands are unlikely (i) to recognize or enforce against it judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state in the United States; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against it predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state in the United States, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the

principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given, provided such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final and conclusive, (iv) is not in respect of taxes or a fine or penalty, and (v) is not impeachable on the grounds of fraud and was not obtained in a manner, and is not of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Special Considerations for Exempted Companies. We are an exempted company with limited liability (meaning our Public Shareholders have no liability, as members of the company, for liabilities of the company over and above the amount paid for their shares) under the Cayman Companies Act. The Cayman Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;

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- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 30 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Anti-money Laundering — Cayman Islands

In order to comply with legislation or regulations aimed at the prevention of money laundering, we are required to adopt and maintain anti-money laundering procedures and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, we may also delegate the maintenance of our anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

We reserve the right to request such information as is necessary to verify the identity of a subscriber. In some cases the directors may be satisfied that no further information is required since an exemption applies under the Anti-Money Laundering Regulations (Revised) of the Cayman Islands, as amended and revised from time to time (the “Regulations”). Depending on the circumstances of each application, a detailed verification of identity might not be required where:

- the subscriber makes the payment for their investment from an account held in the subscriber's name at a recognized financial institution; or
- the subscriber is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or
- the application is made through an intermediary which is regulated by a recognized regulatory authority and is based in or incorporated in, or formed under the law of a recognized jurisdiction and

an assurance is provided in relation to the procedures undertaken on the underlying investors.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority, or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognized by the Cayman Islands Monetary Authority as having equivalent anti-money laundering regulations.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, we may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

We also reserve the right to refuse to make any redemption payment to a shareholder if our directors or officers suspect or are advised that the payment of redemption proceeds to such shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure our compliance with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reason for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of their business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) a nominated officer (appointed in accordance with the Proceeds of Crime Act (Revised) of the Cayman Islands) or the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (Revised), if the disclosure relates to criminal conduct or money laundering or (ii) to a police constable or a nominated officer

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(pursuant to the Terrorism Act (Revised) of the Cayman Islands) or the Financial Reporting Authority, pursuant to the Terrorism Act (Revised), if the disclosure relates to involvement with terrorism or terrorist financing and terrorist property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Data Protection in the Cayman Islands — Privacy Notice

This privacy notice explains the manner in which we collect, process, and maintain personal data about our investors pursuant to the Data Protection Act (Revised) of the Cayman Islands, as amended from time to time and any regulations, codes of practice, or orders promulgated pursuant thereto (the “DPA”).

We are committed to processing personal data in accordance with the DPA. In our use of personal data, we will be characterized under the DPA as a “data controller,” whilst certain of our service providers, affiliates, and delegates may act as “data processors” under the DPA. These service providers may process personal information for their own lawful purposes in connection with services provided to us.

By virtue of your investment in our Company, we and certain of our service providers may collect, record, store, transfer, and otherwise process personal data by which individuals may be directly or indirectly identified.

Your personal data will be processed fairly and for lawful purposes, including (a) where the processing is necessary for us to perform a contract to which you are a party or for taking pre-contractual steps at your request, (b) where the processing is necessary for compliance with any legal, tax, or regulatory obligation to which we are subject, or (c) where the processing is for the purposes of legitimate interests pursued by us or by a service provider to whom the data are disclosed. As a data controller, we will only use your personal data for the purposes for which we collected it. If we need to use your personal data for an unrelated purpose, we will contact you.

We anticipate that we will share your personal data with our service providers for the purposes set out in this privacy notice. We may also share relevant personal data where it is lawful to do so and necessary to comply with our contractual obligations or your instructions or where it is necessary or desirable to do so in connection with any regulatory reporting obligations. In exceptional circumstances, we will share your personal data with regulatory, prosecuting, and other governmental agencies or departments, and parties to litigation (whether pending or threatened), in any country or territory including to any other person where we have a public or legal duty to do so (e.g. to assist with detecting and preventing fraud, tax evasion, and financial crime or compliance with a court order).

Your personal data shall not be held by our Company for longer than necessary with regard to the purposes of the data processing.

We will not sell your personal data. Any transfer of personal data outside of the Cayman Islands shall be in

accordance with the requirements of the DPA. Where necessary, we will ensure that separate and appropriate legal agreements are put in place with the recipient of that data.

We will only transfer personal data in accordance with the requirements of the DPA, and will apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of the personal data and against the accidental loss, destruction, or damage to the personal data.

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with personal data on individuals connected to you for any reason in relation to your investment into our Company, this will be relevant for those individuals and you should inform such individuals of the content.

You have certain rights under the DPA, including (a) the right to be informed as to how we collect and use your personal data (and this privacy notice fulfils our obligation in this respect), (b) the right to obtain a copy of your personal data, (c) the right to require us to stop direct marketing, (d) the right to have inaccurate or incomplete personal data corrected, (e) the right to withdraw your consent and require us to stop processing or restrict the processing, or not begin the processing of your personal data, (f) the right to be notified of a data breach (unless the breach is unlikely to be prejudicial), (g) the right to obtain information as to any countries or territories outside the Cayman Islands to which we, whether directly or indirectly, transfer, intend to transfer, or wish to transfer your personal data, general measures

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we take to ensure the security of personal data, and any information available to us as to the source of your personal data, (h) the right to complain to the Office of the Ombudsman of the Cayman Islands, and (i) the right to require us to delete your personal data in some limited circumstances.

If you consider that your personal data has not been handled correctly, or you are not satisfied with our responses to any requests you have made regarding the use of your personal data, you have the right to complain to the Cayman Islands' Ombudsman. The Ombudsman can be contacted by calling +1 (345) 946-6283 or by email at info@ombudsman.ky.

Legislation of the Cayman Islands

The Cayman Islands, together with several other non-European Union jurisdictions, have recently introduced legislation aimed at addressing concerns raised by the Council of the European Union as to offshore structures engaged in certain activities which attract profits without real economic activity. With effect from January 1, 2019, the International Tax Co-operation (Economic Substance) Act (Revised) (the "Substance Act") came into force in the Cayman Islands introducing certain economic substance requirements for in-scope Cayman Islands entities which are engaged in certain "relevant activities," which in the case of exempted companies incorporated before January 1, 2019, applies in respect of financial years commencing July 1, 2019, onwards. However, it is anticipated that our Company may remain out of scope of the legislation or else be subject to more limited substance requirements.

Amended and Restated Memorandum and Articles of Association of Chenghe

Chenghe Articles contain provisions designed to provide certain rights and protections relating to our initial public offering that will apply to us until the completion of our initial business combination.

These provisions cannot be amended without a special resolution. As a matter of Cayman Islands law, a special resolution needs to be adopted by either (i) at least two-thirds (or any higher threshold specified in a company's articles of association) of a company's shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been given; or (ii) if so authorized by a company's articles of association, by a unanimous written resolution of all of the company's shareholders. Chenghe Articles provide that special resolutions must be approved either by at least two-thirds of our shareholders (except that amendments to the provisions concerning the Class B shareholders right to appoint or remove directors prior to a business combination requires 90% approval of shareholders) who attend and vote at a general meeting of the company (i.e., the lowest threshold permissible under Cayman Islands law), or by a unanimous written resolution of all of our shareholders.

Our Sponsors and their respective affiliates, who collectively beneficially own 45.2% of SPAC Ordinary Shares, will participate in any vote to amend Chenghe Articles and will have the discretion to vote in any manner they choose. Specifically, Chenghe Articles provide, among other things, that:

- If we are unable to complete our initial business combination by the Extended Deadline, we will

(i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten (10) Business Days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to the Company (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then issued and outstanding public shares in issue, which redemption will completely extinguish Public Shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, liquidate and dissolve, subject in each case to our obligations under Cayman Islands law to provide for claims of creditors and other requirements of applicable law;

- Prior to our initial business combination, we may not issue additional securities that would entitle the holders thereof to (i) receive funds from the Trust Account or (ii) vote as a class with public shares on our initial business combination;

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- Although we do not intend to enter into a business combination with a target business that is affiliated with our Sponsors, our directors or our officers, we are not prohibited from doing so. In the event we enter into such a transaction, we, or a committee of independent directors, will obtain an opinion from an independent investment banking firm which is a member of FINRA or a valuation or appraisal firm that such a business combination is fair to our company from a financial point of view;
- If a shareholder vote on our initial business combination is not required by law and we do not decide to hold a shareholder vote for business or other legal reasons, we will offer to redeem our public shares pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, and will file tender offer documents with the SEC prior to completing our initial business combination which contain substantially the same financial and other information about our initial business combination and the redemption rights as is required under Regulation 14A of the Exchange Act;
- We must complete one or more business combinations having an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on the income earned on the Trust Account) at the time of the agreement to enter into the initial business combination;
- If our shareholders approve an amendment to our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we do not complete our initial business combination by the Extended Deadline or (B) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity, we will provide our Public Shareholders with the opportunity to redeem all or a portion of their SPAC Class A Ordinary Shares upon the approval or effectiveness of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to us to pay our taxes, divided by the number of then issued and outstanding public shares, subject to the limitations provided therein; and
- We will not effectuate our initial business combination with another blank check company or a similar company with nominal operations.

We may, however, raise funds through the issuance of equity-linked securities or through loans, advances or other indebtedness in connection with our initial business combination, including pursuant to forward purchase agreements or backstop arrangements we may enter into following consummation of our initial public offering, in order to, among other reasons, satisfy such net tangible assets requirement.

Certain Anti-Takeover Provisions of the Amended and Restated Memorandum and Articles of Association of Chenghe

Our amended and restated memorandum and articles of association provide that our board of directors is classified into three classes of directors. As a result, in most circumstances, a person can gain control of our board only by successfully engaging in a proxy contest at two or more annual general meetings.

Our authorized but unissued SPAC Class A Ordinary Shares and Chenghe Preference Shares are available for future issuances without shareholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of

authorized but unissued and unreserved SPAC Class A Ordinary Shares and Chenghe Preference Shares could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Securities of CayCo

The following description of the material terms of the share capital of CayCo following the completion of the Business Combination includes a summary of specified provisions of the amended and restated memorandum of association (the “Memorandum of Association”) and the amended and restated articles of association of CayCo (the “Articles of Association” and together with the Memorandum of Association, the “Amended and Restated Memorandum

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and Articles of Association”) that will be in effect upon completion of the Business Combination. This description is qualified by reference to CayCo’s Amended and Restated Memorandum and Articles of Association as will be in effect upon consummation of the Business Combination, the form of which is attached to this Registration Statement/Proxy Statement as Annex B and is incorporated in this Registration Statement/Proxy Statement by reference. References in this section to “we” or “us” refer to CayCo.

A summary of the material provisions governing CayCo’s share capital immediately following the consummation of the Business Combination is described below. This summary is not complete and should be read together with the CayCo Listing Articles.

As of the date of this proxy statement/prospectus, CayCo is authorized to issue 500,000,000 ordinary shares, \$0.0001 par value each. Upon consummation of the Business Combination, CayCo will be authorized [...] shares, \$0.0001 par value each (the “**CayCo Shares**”).

General

CayCo is a Cayman Islands exempted company with limited liability and, as of the Closing, its affairs will be governed by its amended and restated memorandum and articles of association, as amended from time to time, the Cayman Companies Act and the common law of the Cayman Islands. Pursuant to the Amended and Restated Memorandum and Articles of Association, CayCo will be authorized to issue 500,000,000 Ordinary Shares of par value of US\$0.0001 each (“Ordinary Shares”). As of the date of this Registration Statement/Proxy Statement, there is [one (1)] CayCo Share issued and outstanding.

Ordinary Shares

As of the date of this proxy statement/prospectus, all of CayCo’s issued and outstanding shares are fully paid and non-assessable. Its shares are issued in registered form, and are issued when registered in our register of members. Unless the board of directors determine otherwise, each holder of its shares will not receive a certificate in respect of such ordinary shares. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. We may not issue shares to bearer.

Subject to the provisions of the Cayman Companies Act and provisions of the CayCo Listing Articles regarding redemption and purchase of the shares, the directors have general and unconditional authority to allot (with or without confirming rights of renunciation), grant options over or otherwise deal with any unissued shares to such persons, at such times and on such terms and conditions as they may decide. The directors may deal with unissued shares either at a premium or at par, or with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise. No share may be issued at a discount except in accordance with the provisions of the Cayman Companies Act. The directors may refuse to accept any application for shares, and may accept any application in whole or in part, for any reason or for no reason.

Share Capital

All of our issued and outstanding CayCo Ordinary Shares are fully paid and non-assessable. The CayCo Ordinary Shares are issued in registered form, and are issued when registered in the register of members of CayCo. CayCo may not issue CayCo Ordinary Shares to bearer. Subject to the provisions of the Cayman Companies Act and the Articles of Association and the rules of the Stock Exchange, where applicable, and without prejudice to any rights attached to any existing shares, all shares in CayCo are at the disposal of the board, which may issue, allot, grant options over or otherwise dispose of them to such persons, at such times, on such terms and conditions as it in its absolute discretion thinks fit.

Each CayCo Ordinary Share shall be entitled to one (1) vote on all matters subject to vote at general and

special meetings of the Company.

Subject to the provisions of the Cayman Companies Act, Articles of Association and the rules of the Stock Exchange, where applicable, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the directors may determine, and without prejudice to any rights attached to any existing shares, or (b) on terms that, at the option of CayCo or the holder thereof, it is liable to be redeemed.

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Dividends

Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of CayCo's board of directors and will depend upon such factors as earnings levels, capital requirements, contractual restrictions, CayCo's overall financial condition, available distributable reserves and any other factors deemed relevant by CayCo's board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits (including retained earnings) or share premium, provided that in no circumstances may a dividend be paid if this would result in CayCo being unable to pay its debts as they fall due in the ordinary course of its business.

Even if CayCo's board of directors decides to pay dividends, the form, frequency and amount will depend upon CayCo's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that CayCo's board of directors may deem relevant. In addition, CayCo is a holding company and depend on the receipt of dividends and other distributions from its subsidiaries to pay dividends on CayCo Shares.

The directors may declare dividends to be paid to the members. The Articles of Association provide dividends may be declared and paid out of the profits of CayCo, realized or unrealized, or out of the share premium account or as otherwise permitted by the Cayman Companies Act. In addition, CayCo's shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by the directors. No dividend may be declared and paid unless the directors determine that, immediately after the payment, CayCo will be able to pay its debts as they become due in the ordinary course of business and CayCo has funds lawfully available for such purpose.

General Meetings of Shareholders

Under the Cayman Companies Act, CayCo is not required to call shareholders' annual general meetings. CayCo, however, will hold an annual shareholders' meeting during each fiscal year, as required by the Nasdaq listing standards. At least fifteen calendar days' notice shall be given for any general meeting. The board of directors of CayCo or the chairman of the board may call general meetings at anytime, and must convene an extraordinary general meeting upon the requisition of shareholders holding at the date of deposit of the requisition shares which carry in aggregate not less than one-third (1/3) of all issued and outstanding shares entitled to vote at general meetings of CayCo. One or more shareholders holding shares which carry in aggregate (or representing by proxy) not less than one-half (1/2) of all votes attaching to all shares in issue and entitled to vote at such general meeting present in person or by proxy and entitled to vote will be a quorum for all purposes.

Variation of Rights

Subject to the Articles of Association, if at any time the share capital of CayCo is divided into different classes of shares, all or any of the rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of a majority of the issued shares of that class or with the sanction of an ordinary resolution passed at a general meeting of the holders of the shares of that class. To every such general meeting the provisions of the Articles of Association relating to general meetings will mutatis mutandis apply, but so that the necessary quorum shall be one person holding or representing by proxy not less than one-third (1/3) of the issued shares of that class. Every holder of shares of the class present in person or by proxy shall be entitled to one vote for every such share held by him.

Transfer of Shares

Subject to the Articles of Association, our shareholders may transfer all or any of his or her CayCo Ordinary Shares by an instrument of transfer in the usual or common form or in a form prescribed by the Stock Exchange or any other form approved by the board of directors. The board may, in its absolute discretion, and without giving any reason therefor, decline to register any transfer of CayCo Ordinary Share which is not fully paid up to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists. The board may also decline to register any transfer of

any share unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the board is paid to CayCo, the instrument of transfer is properly stamped (if required), it is in respect of only one class of share, the number of joint holders to whom the share is to be transferred does not exceed four (in the case of a transfer to joint holders) and is lodged with CayCo accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer.

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Subject to the restrictions set out below, any of CayCo shareholders may transfer all or any of his or her shares by an instrument of transfer in the usual or common form or any other form prescribed by the designated stock exchange or approved by CayCo board of directors.

CayCo board of directors may, in its absolute discretion, and without giving any reason therefor, refuse to register any transfer of any share which is not fully paid up or on which the CayCo has a lien. CayCo board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with CayCo, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as CayCo board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the designated stock exchange may determine to be payable, or such lesser sum as CayCo board of directors may from time to time require is paid to CayCo in respect thereof.

The registration of transfers may, after compliance with any notice required of the designated stock exchange, be suspended and the register of members closed at such times and for such periods as CayCo board of directors may in their absolute discretion from time to time determine, provided always that the registration of transfers shall not be suspended nor the register closed for more than thirty (30) calendar days in any calendar year.

If CayCo directors refuse to register a transfer, they shall, within two calendar months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

Calls on Shares and Forfeiture of Shares

CayCo's board of directors may from time to time make calls upon shareholders for any amounts due and payable but unpaid on CayCo Ordinary Shares. Any CayCo Ordinary Shares that have been called upon and remain unpaid are, after a notice period, subject to forfeiture.

Redemption and Repurchase of Shares

Subject to the provisions of the Cayman Companies Act, CayCo may issue shares that are to be redeemed or are liable to be redeemed at the option of the shareholder or CayCo. The redemption of such shares will be effected in such manner and upon such other terms as CayCo's directors determine before the issue of the shares, by the CayCo board. CayCo may also purchase its own shares (including any redeemable shares) on such terms and in such manner and terms have been approved by the CayCo board, or are otherwise authorized by the CayCo Listing Articles, and make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the applicable law, including out of capital.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares), if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst CayCo's shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to CayCo for unpaid calls or otherwise. If CayCo's assets available for distribution are insufficient to repay all of the paid up share capital, the assets will be distributed so that, as nearly as possible, the losses are

borne by CayCo's shareholders in proportion to the par value of the shares held by them at the commencement of the winding up. Any distribution of assets or capital to a holder of CayCo Ordinary Share will be the same in any liquidation event.

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On the winding up of CayCo, if the assets available for distribution amongst CayCo shareholders are more than sufficient to repay the whole of the share capital at the commencement of winding up, the surplus will be distributed amongst CayCo shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to CayCo for unpaid calls or otherwise. If CayCo's assets available for distribution are insufficient to repay the whole of the share capital, the assets will be distributed so that as nearly as may be the losses are borne by CayCo shareholders in proportion to the par value of the shares held by them.

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. The Articles of Association permit indemnification of officers and directors from and against all actions, proceedings, costs, charges, losses, damages and liabilities which they or any of them, their or any of their personal representatives, incurred or sustained by them, other than by reason of their own dishonesty, willful default or fraud, in or about the conduct of CayCo's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of their duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning CayCo or its affairs in any court whether in the Cayman Islands or elsewhere.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling our company under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Certain Anti-Takeover Provisions

Certain provisions in the Amended and Restated Memorandum and Articles of Association may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a shareholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for CayCo Ordinary Shares. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our board of directors.

Ordinary Shares

The authorized but unissued CayCo Ordinary Shares will be available for future issuance by the board of directors on such terms as our board of directors may determine, subject to the provisions of the Cayman Companies Act, the Articles of Association and the rules of the Stock Exchange, where applicable, and without prejudice to any rights attached to any existing shares. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued CayCo Ordinary Shares could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger, amalgamation, scheme of arrangement or otherwise.

Warrants

Upon the consummation of the Business Combination, each SPAC Warrant outstanding immediately prior to the consummation of the Business Combination will cease to be a warrant with respect to SPAC Class A Ordinary Shares and be assumed by CayCo and converted into an CayCo Warrant entitling the holder thereof to purchase one CayCo Ordinary Share at a price of \$11.50 per share upon exercise. Each CayCo Warrant will otherwise continue to have, and be subject to, substantially the same terms and conditions as were applicable to such SPAC Warrant immediately prior to the consummation of the Business Combination.

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Board of Directors

Our board of directors shall consist of such number of directors as the shareholders may from time to time determine and there should be a minimum of five (5) directors unless otherwise determined by the shareholders in general meeting. Upon the consummation of the Business Combination, our board of directors will consist of five directors. Pursuant to the Investor Rights Agreement, the form of which is attached to this Registration Statement/Proxy Statement/prospectus, one of our directors should be nominated by the Sponsor, and at least three of our directors shall be independent director. Further, as long as the Sponsor Parties beneficially own any CayCo Ordinary Shares, CayCo shall take all necessary action to call the individuals nominated by the Sponsor to be elected at the applicable meetings of shareholder of CayCo.

Appointment of Directors

Our directors shall, be elected by the shareholders by way of any special resolution to either fill a casual vacancy or as an addition to the existing directors. The board of directors shall have power at any time to appoint any person as a director, either to fill casual vacancy or as an addition to the existing directors.

Any director may in writing appoint another person to be such director's alternate, with the alternate having the authority to act in the director's place at any meeting at which the appointing director is unable to be present. A director may, but is not required to, appoint another director to be an alternate.

Removal of Directors

A director may be removed from office by special resolution of CayCo before the expiration of his period of office. A director will also cease to be a director if he or she (i) dies, becomes bankrupt or makes any arrangement or composition with such director's creditors generally; (ii) is found to be or becomes of unsound mind; (iii) resigns the office of director by notice in writing to the company; (iv) is removed from office pursuant to the Articles of Association; or (v) is prohibited, by any applicable law or the rules of the Stock Exchange, from being a director.

Directors' Fiduciary Duties

Under Cayman Islands law, directors and officers owe the following fiduciary duties:

- duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole;
- duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;
- duty not to improperly fetter the exercise of future discretion;
- duty to exercise powers fairly as between different sections of members;
- duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and
- duty to exercise independent judgment.

In addition to the above, directors and officers also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience of that director.

Meetings of Shareholders

As a Cayman Islands exempted company, CayCo is not obliged by law to call annual general meetings. According to the Articles of Association, CayCo may hold an annual general meeting of the Company every year.

Capitalization of Profits and Reserves

Subject to applicable law, the directors may resolve to capitalize all or any part of any amount standing to the credit of any reserve accounts or funds (including a share premium account and capital redemption reserve and the profit and loss account) for distribution among the shareholders or any class of shareholders who would be entitled thereto if it were distributed by way of dividend and in the proportion to the nominal amount of shares held by such shareholders respectively, on the footing that the same is applied either in or towards paying up the

amounts for the time being unpaid on any shares in the Company held by such shareholders respectively or in paying up in full unissued shares or debentures of a nominal amount equal to that sum, to be allotted and distributed credited as fully paid up among such shareholders in those proportions, or partly in one way and partly in the other, provided that, for the purposes above, a share premium account and any capital redemption reserve and profits which are not available for distribution, may be applied only in paying up unissued shares of the Company to be allotted to such shareholders credited as fully paid.

Amendments to Amended and Restated Memorandum and Articles of Association of CayCo

The Articles of Association may be altered or amended by the Company by special resolution. The Articles of Association state that a special resolution shall be required to alter the provisions of the Memorandum of Association, to amend the Articles of Association or to change the name of the Company.

Mergers and Consolidations

CayCo may by a special resolution merge or consolidate with one or more constituent companies (as defined in the Cayman Companies Act), upon such terms as our directors may determine subject to the Cayman Companies Act.

Transfer Agent and Registrar

Following the completion of the Business Combination, Continental Stock Transfer & Trust Company will act as the transfer agent and registrar for CayCo Ordinary Shares.

Stock Exchange Listing

CayCo will apply for listing, to be effective at the time of the closing of the Business Combination, of its CayCo Ordinary Shares on the Nasdaq under the symbol “[•].” CayCo will not have units issued or traded following consummation of the Business Combination.

Enforceability of Civil Liability under Cayman Islands Law

CayCo has been advised by its Cayman Islands legal counsel that there is uncertainty as to whether courts of the Cayman Islands would (i) recognize or enforce against it judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) entertain original actions brought in the Cayman Islands against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will in certain circumstances recognize and enforce a foreign judgment, without any re-examination or re-litigation of matters adjudicated upon, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay a liquidated sum for which judgment has been given, provided such judgment: (a) is given by a foreign court of competent jurisdiction; (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given; (c) is final and conclusive; (d) is not in respect of taxes, a fine or a penalty; (e) was not obtained in a manner, and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

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Anti-Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering, we are required to adopt and maintain anti-money laundering procedures and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, we may also delegate the maintenance of our anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

We reserve the right to request such information as is necessary to verify the identity of a subscriber. In some cases the directors may be satisfied that no further information is required since an exemption applies under the Anti-Money Laundering Regulations (Revised) of the Cayman Islands, as amended and revised from time to time (the “Regulations”). Depending on the circumstances of each application, a detailed verification of identity might not be required where:

- the subscriber makes the payment for their investment from an account held in the subscriber's name at a recognized financial institution; or
- the subscriber is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or
- the application is made through an intermediary which is regulated by a recognized regulatory authority and is based in or incorporated in, or formed under the law of a recognized jurisdiction and an assurance is provided in relation to the procedures undertaken on the underlying investors.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority, or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognized by the Cayman Islands Monetary Authority as having equivalent anti-money laundering regulations.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, we may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

We also reserve the right to refuse to make any redemption payment to a shareholder if our directors or officers suspect or are advised that the payment of redemption proceeds to such shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure our compliance with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reason for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of their business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) a nominated officer (appointed in accordance with the Proceeds of Crime Act (Revised) of the Cayman Islands) or the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (Revised), if the disclosure relates to criminal conduct or money laundering or (ii) to a police constable or a nominated officer (pursuant to the Terrorism Act (Revised) of the Cayman Islands) or the Financial Reporting Authority, pursuant to the Terrorism Act (Revised), if the disclosure relates to involvement with terrorism or terrorist financing and terrorist property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Cayman Islands Data Protection Regime — Privacy Notice

This privacy notice explains the manner in which we collect, process, and maintain personal data about our investors pursuant to the Data Protection Act (Revised) of the Cayman Islands, as amended from time to time and any regulations, codes of practice, or orders promulgated pursuant thereto (the “DPA”).

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We are committed to processing personal data in accordance with the DPA. In our use of personal data, we will be characterized under the DPA as a “data controller,” whilst certain of our service providers, affiliates, and delegates may act as “data processors” under the DPA. These service providers may process personal information for their own lawful purposes in connection with services provided to us.

By virtue of your investment in our Company, we and certain of our service providers may collect, record, store, transfer, and otherwise process personal data by which individuals may be directly or indirectly identified.

Your personal data will be processed fairly and for lawful purposes, including (a) where the processing is necessary for us to perform a contract to which you are a party or for taking pre-contractual steps at your request, (b) where the processing is necessary for compliance with any legal, tax, or regulatory obligation to which we are subject, or (c) where the processing is for the purposes of legitimate interests pursued by us or by a service provider to whom the data are disclosed. As a data controller, we will only use your personal data for the purposes for which we collected it. If we need to use your personal data for an unrelated purpose, we will contact you.

We anticipate that we will share your personal data with our service providers for the purposes set out in this privacy notice. We may also share relevant personal data where it is lawful to do so and necessary to comply with our contractual obligations or your instructions or where it is necessary or desirable to do so in connection with any regulatory reporting obligations. In exceptional circumstances, we will share your personal data with regulatory, prosecuting, and other governmental agencies or departments, and parties to litigation (whether pending or threatened), in any country or territory including to any other person where we have a public or legal duty to do so (e.g. to assist with detecting and preventing fraud, tax evasion, and financial crime or compliance

with a court order).

Your personal data shall not be held by our Company for longer than necessary with regard to the purposes of the data processing.

We will not sell your personal data. Any transfer of personal data outside of the Cayman Islands shall be in accordance with the requirements of the DPA. Where necessary, we will ensure that separate and appropriate legal agreements are put in place with the recipient of that data.

We will only transfer personal data in accordance with the requirements of the DPA, and will apply appropriate technical and organizational information security measures designed to protect against unauthorized or unlawful processing of the personal data and against the accidental loss, destruction, or damage to the personal data.

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with personal data on individuals connected to you for any reason in relation to your investment into our Company, this will be relevant for those individuals and you should inform such individuals of the content.

You have certain rights under the DPA, including (a) the right to be informed as to how we collect and use your personal data (and this privacy notice fulfils our obligation in this respect), (b) the right to obtain a copy of your personal data, (c) the right to require us to stop direct marketing, (d) the right to have inaccurate or incomplete personal data corrected, (e) the right to withdraw your consent and require us to stop processing or restrict the processing, or not begin the processing of your personal data, (f) the right to be notified of a data breach (unless the breach is unlikely to be prejudicial), (g) the right to obtain information as to any countries or territories outside the Cayman Islands to which we, whether directly or indirectly, transfer, intend to transfer, or wish to transfer your personal data, general measures we take to ensure the security of personal data, and any information available to us as to the source of your personal data, (h) the right to complain to the Office of the Ombudsman of the Cayman Islands, and (i) the right to require us to delete your personal data in some limited circumstances.

If you consider that your personal data has not been handled correctly, or you are not satisfied with our responses to any requests you have made regarding the use of your personal data, you have the right to complain to the Cayman Islands' Ombudsman. The Ombudsman can be contacted by calling +1 (345) 946-6283 or by email at info@ombudsman.ky.

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COMPARISON OF RIGHTS OF CAYCO SHAREHOLDERS AND CHENGHE SHAREHOLDERS

General

Chenghe is incorporated as a Cayman Islands exempted company and the rights of Chenghe Shareholders are governed by the laws of the Cayman Islands, including the Cayman Companies Act, and the Chenghe Articles. CayCo is incorporated as a Cayman Islands exempted company and the rights of CayCo shareholders will be governed by the laws of the Cayman Islands, including the Cayman Companies Act, and by the CayCo Listing Articles following the Business Combination, the rights of Chenghe Shareholders who become CayCo shareholders will be governed by Cayman Islands law but will no longer be governed by the Chenghe Articles and instead will be governed by the CayCo Listing Articles.

Comparison of Shareholders' Rights

Set forth below is a summary comparison of material differences between the rights of Chenghe Shareholders under the Chenghe Articles (left column), and the rights of CayCo shareholders under the CayCo Listing Articles (right column). The summary set forth below is not intended to be complete or to provide a comprehensive discussion of each company's governing documents. This summary is qualified in its entirety by reference to the full text of the Chenghe Articles, and the CayCo Listing Articles, as well as the relevant provisions of the Cayman Companies Act.

Chenghe	CayCo
Authorized Share Capital	
U.S.\$22,100 divided into 200,000,000 Class A ordinary shares of a par value of U.S.\$0.0001 each, 20,000,000 Class B ordinary shares of a par value of U.S.\$0.0001 each and 1,000,000 preference shares of a	U.S.\$ [•],000 divided into [•],000,000 ordinary shares of

par value of U.S.\$0.0001 each.

Number of Directors

Chenghe's board of directors shall consist of not less than one director. Chenghe may, by ordinary resolution (simple majority standard), increase or reduce the limits in the number of directors.

Unless otherwise determined by CayCo in general meeting, the number of directors shall not be less than five directors, and there shall be no maximum number of directors.

Alternate Directors/Proxy

A director may be represented at any meetings of Chenghe Board by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing director.

Any director may in writing appoint another person to be an alternate director and, subject as provided otherwise in the terms of appointment, such alternate shall be entitled to sign written resolutions on behalf of his appointor. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at every such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence. An alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the director appointing him.

Filling Vacancies on the Board of Directors

The directors may appoint any person to be a director, either to fill a vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Chenghe Articles as the maximum number of directors.

The CayCo Board may, by the affirmative vote of a simple majority of the remaining directors present and voting at an CayCo Board meeting, appoint any person as a director, to fill a casual vacancy on the CayCo Board or as an addition to the existing CayCo Board.

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Chenghe	CayCo
Appointment and Removal of Directors by Shareholders	
Prior to the closing of the initial business combination, only holders of SPAC Class B Ordinary Shares will have the right to vote on the appointment or removal of directors.	CayCo shareholders may by special resolution appoint any person to be a director.
Prior to the closing of the initial business combination, directors can be appointed or removed by ordinary resolution of the holders of SPAC Class B Ordinary Shares.	A director may be removed from office, with or without cause, by special resolution, notwithstanding anything in CayCo Listing Articles or in any agreement between CayCo and such director (but without prejudice to any claim for damages under such agreement).
For the avoidance of doubt, prior to the closing of a business combination, holders of SPAC Class A Ordinary Shares shall have no right to vote on the appointment or removal of any Director.	

General Meeting Quorum

No business shall be transacted at any general meeting unless a quorum is present. The holders of a majority of the SPAC Ordinary Shares being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorized representative or proxy shall be a quorum.

Two or more holders of shares which carry not less than one-half of all votes attaching to shares in issue and entitled to vote at such general meeting, present in person or by proxy or, if a corporate or other non-natural person, by its duly authorized representative, shall constitute a quorum; unless CayCo has only one shareholder entitled to vote at such general meeting in

which case the quorum shall be that one shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorized representative or proxy.

Calling a Special Meeting of Shareholders

The directors, the chief executive officer or the chairman of Chenghe Board may call general meetings. Chenghe Shareholders do not have the ability to call general meetings.	The chairman or a majority of the directors may call general meetings.

Directors shall proceed to convene an extraordinary general meeting (any general meeting other than annual general meeting) on the requisition of a shareholder holding at the date of deposit of the requisition not less than one-third of all votes attaching to all issued and outstanding shares entitled to vote at general meetings of CayCo.

Advance Notice of Meetings

A director may call a meeting of the Chenghe Board by providing at least two days' notice. At least five clear days' notice must be given of any general meeting of Chenghe.	A director may call a meeting of CayCo' board of directors by providing at least five calendar days' notice. At least fifteen (15) calendar days' notice must be given of any general meeting of CayCo shareholders.

Restrictions on Outside Compensation of Directors

No restrictions on outside remuneration of directors.	No restrictions on outside remuneration of directors.

Shareholder Action by Written Resolution

Unanimous written resolution required to pass a resolution without a meeting.	Unanimous written resolution required to pass a resolution without a meeting.

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Chenghe	CayCo
Voting Requirements for Amendments to Memorandum and Articles of Association	
Special resolution (at least two-thirds of shareholders who vote at a general meeting where there is a quorum) required to amend or add to the Chenghe Articles except that amendments to the provisions concerning the Class B shareholders right to appoint or remove directors prior to a business combination requires 90% approval of shareholders who vote at a general meeting where there is a quorum).	Special resolution (at least two-thirds of shareholders who vote at a general meeting where there is a quorum) required to amend or add to the CayCo Listing Articles.

Indemnification of Directors and Officers

The Chenghe Articles provides for indemnification covering directors and officers out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud, willful neglect or willful default.	The CayCo Listing Articles permit indemnification of CayCo's directors, secretary, assistant secretary and other officers (but not including CayCo's auditors) against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such indemnified person, other than by reason of such indemnified person's own dishonesty, willful default or fraud, in or about the conduct of CayCo's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of their duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses,

losses or liabilities incurred by such indemnified person in defending (whether successfully or otherwise) any civil proceedings concerning CayCo or its affairs in any court whether in the Cayman Islands or elsewhere.

Forum Selection Provision

There is no provision on forum selection.

There is no provision requiring disputes brought on behalf of CayCo or against CayCo (or directors or employees of CayCo in their capacities as such) to be brought in a particular forum.

Corporate Opportunity

Waiver of obligation to provide business opportunities to Chenghe provided for directors and officers.

No explicit waiver of obligation to provide business opportunities to CayCo provided for directors and officers.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions of FST and CayCo

Employment Agreements, Insurance and Indemnification

See “Executive Compensation — Employment Agreements, Insurance and Indemnification”.

Equity Incentive Plan

See “Executive Compensation — Equity Incentive Plans”.

Director and Officer Indemnification

CayCo Listing Articles that will be in effect upon completion of the Business Combination provide for indemnification of CayCo officers and directors, including for any liability incurred in their capacities as such, except through their willful default or neglect. In connection with the Closing, CayCo intends to enter into indemnification agreements with each post-Closing director and executive officer of CayCo.

Certain Relationships and Related Party Transactions of SPAC

SPAC IPO Letter Agreement

On June 2, 2021, the Old SPAC Sponsor paid \$25,000, or approximately \$0.007 per share, to cover certain offering costs in consideration for 3,737,500 Founder Shares, par value \$0.0001. Up to 487,500 founder shares were subject to forfeiture by the Old SPAC Sponsor depending on the extent to which the underwriters’ over-allotment option is exercised. In March 2022, the Old SPAC Sponsor effected a surrender of the 487,500 Founder Shares to SPAC for no consideration upon expiration of the over-allotment option.

The holders of Founder Shares have agreed not to transfer, assign or sell any of their Founder shares and any Public Shares issuable upon conversion thereof until the earlier to occur of: (i) one year after the completion of the initial business combination or (ii) the date on which SPAC completes a liquidation, merger, share exchange or other similar transaction after the initial business combination that results in all of the shareholders having the right to exchange their Public Shares for cash, securities or other property. Any permitted transferees will be subject to the same restrictions and other agreements of the holders of the Founder Shares with respect to any Founder Shares. Notwithstanding the foregoing, if (1) the closing price of the Public Shares equals or exceeds \$12.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial business combination or (2) SPAC consummates a transaction after the initial business combination which results in the shareholders having the right to exchange their shares for cash, securities or other property, the founder shares will be released from the lock-up.

Promissory Note

On June 2, 2021, the Old SPAC Sponsor agreed to loan SPAC up to \$300,000 to be used for a portion of the expenses of the IPO. These loans were non-interest bearing, unsecured and are due at the earlier of June 15, 2022

or the closing of the IPO. At the IPO date, SPAC paid \$142,350 to the Old SPAC Sponsor in full repayment of the promissory note. As of December 31, 2023, and December 31, 2022, SPAC had no outstanding balance under the promissory note, respectively.

On April 13, 2023, SPAC issued a non-interest bearing non-convertible unsecured promissory note to the Old SPAC Sponsor for a principal amount of up to \$1,050,000 to fund the contributions to SPAC's Trust Account in connection with the First Extension Amendment and the First Trust Amendment. On each of April 27, 2023, May 30, 2023 and June 28, 2023, the SPAC deposited \$150,000, for an aggregate of \$450,000, into the Trust Account, of which, \$300,000 was raised from the April 2023 Note. The April 2023 Note was terminated on October 4, 2023 and all amounts outstanding, amounted to \$300,000, under the April 2023 Note are forgiven without any further liability of SPAC or the Old SPAC Sponsor. The amounts forgiven are booked as a capital transaction at October 4, 2023.

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On October 25, 2023, SPAC issued a non-interest bearing non-convertible unsecured promissory note to the New SPAC Sponsor for a principal amount of up to \$1,960,000 to fund the Extension Contributions in connection with the Second Extension. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. As of the date hereof, an additional \$481,960.4 has been drawn from the October 2023 Note for working capital purposes, for a total of \$886,130 drawn down from the October 2023 Note. On each of October 30, 2023 and November 29, 2023, SPAC deposited \$80,000 as Extension Contributions into the Trust Account to extend the SPAC Termination Date to December 27, 2023. On January 3, 2024, \$76,512 was deposited as Extension Contribution into the Trust Account by FST pursuant to the Business Combination Agreement, whereunder FST agreed to bear all of the fees and costs relating to the extension of the SPAC Termination Date not exceeding \$80,000 per month. On each of February 2, 2024, March 4, 2024 and April 2, 2024, \$78,837 was deposited as Extension Contribution into the Trust Account by FST pursuant to the Business Combination Agreement, extending the SPAC Termination Date to April 27, 2024. The Extension Contributions loaned by the New SPAC Sponsor will be forgiven if SPAC is unable to consummate a Business Combination except to the extent of any funds held outside of the Trust Account. If the Business Combination Agreement is terminated by FST due to the Company's shareholders' failure to approve the FST Business Combination or the Company's material breach of its obligations as described in the Business Combination Agreement, the Company shall pay and reimburse FST the Extension Contribution(s) FST has deposited in the Trust Account with funds held outside of the Trust Account.

Working Capital Loans

In order to finance transaction costs in connection with an intended initial business combination, the Sponsors or an affiliate of the Sponsors or certain of SPAC's officers and directors may, but are not obligated to, loan SPAC funds as may be required ("Working Capital Loans"). If SPAC completes its initial business combination, the Company would repay the Working Capital Loans. In the event that the initial business combination does not close, the Company may use a portion of the working capital held outside the Trust Account to repay the Working Capital Loans but no proceeds from the Trust Account would be used to repay the Working Capital Loans. Up to \$1,500,000 of the Working Capital Loans may be convertible into warrants of the post business combination entity at a price of \$1.00 per warrant at the option of the lender. The terms of such warrants would be identical to those of the Private Placement Warrants. As of the date hereof, SPAC has no borrowings under the Working Capital Loans.

Certain Relationships and Related Party Transactions of FST

Lease with Far East Machinery Co., Ltd.

The Company leases the land and buildings from Far East Machinery Co., Ltd. ("**Far East**") for manufacturing use. The Company entered into the lease agreement with Far East on December 21, 2022, which provides that the Company shall pay Far East on a monthly basis NT\$2,000,000 (US\$65,316.79) in rent (tax excluded). The lease is a one-year lease, and the Company and Far East have renewed and extended the lease for another year on December 20, 2023. Since January 1, 2023 and until the term of the latest lease, the aggregate amount of all periodic payments or installments due and payable under the lease with Far East is NT\$48,000,000 (US\$1,567,602.87)(tax excluded).

Lease with Chiayi Sports Equipment Co., Ltd.

The Company leases the land and buildings from Chiayi Sports Equipment Co., Ltd. ("**Chiayi**") for manufacturing use. The Company entered into the lease agreement with Chiayi on November 1, 2021, which provides that the Company shall pay Chiayi on a monthly basis NT\$450,000 (US\$14,696.28) in rent (tax excluded). The lease was terminated on September 20, 2023. Since January 1, 2023, the aggregate amount of all

periodic payments or installments due and payable under the lease with Chiayi is NT\$3,885,000 (US\$126,877.86)(tax excluded).

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BENEFICIAL OWNERSHIP OF SPAC ORDINARY SHARES PRIOR TO THE BUSINESS COMBINATION

The following table sets forth information regarding the beneficial ownership of shares of SPAC Ordinary Shares as of by:

- each person or “group” (as such term is used in Section 13(d)(3) of the Exchange Act) known by SPAC to be the beneficial owner of more than 5% of shares of SPAC Ordinary Shares;
- each of SPAC’s executive officers and directors; and
- all of SPAC’s executive officers and directors as a group.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. A person is a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of the security, or “investment power,” which includes the power to dispose of or to direct the disposition of the security or has the right to acquire such powers within 60 days. Unless otherwise indicated, SPAC believes that all persons named in the table have sole voting and investment power with respect to all ordinary shares (of the applicable type) beneficially owned by them.

The percentage of beneficial ownership of SPAC in the table below is calculated based on 7,191,873 SPAC Ordinary Shares, consisting of (i) 5,000,000 SPAC Class A Ordinary Shares and (ii) 2,191,873 SPAC Class B Ordinary Shares, issued and outstanding after the SPAC IPO after taking into account of the redemptions in connection with the Extension.

Name and Address of Beneficial Owner⁽¹⁾	Number of SPAC Class A Ordinary Shares Beneficially Owned	Percentage of Issued and Outstanding SPAC Class A Ordinary Shares	Number of SPAC Class B Ordinary Shares Beneficially Owned⁽²⁾	Percentage of Issued and Outstanding SPAC Class B Ordinary Shares	Percentage of Outstanding SPAC Ordinary Shares
Richard Qi Li ⁽³⁾	1,058,127	21.2%	1,591,873	72.6%	36.9%
Shibin Wang	—	—	—	—	—
Zhiyang Zhou	—	—	—	—	—
Kwan Sun	—	—	—	—	—
Ning Ma	—	—	—	—	—
James Zhang	—	—	—	—	—
All officers and directors as a group (five individuals)	—	—	—	—	—
<i>Greater than 5% Holders:</i>					
Chenghe Investment I Limited ⁽³⁾	1,058,127	21.2%	1,591,873	72.6%	36.9%
LatAmGrowth Sponsor LLC ⁽⁴⁾	—	—	600,000	27.4%	8.3%
First Trust Capital Solutions L.P. ⁽⁵⁾	367,260	7.3%	—	—	5.1%
Mizuho Financial Group, Inc. ⁽⁶⁾	366,926	7.3%	—	—	5.1%
Polar Asset Management Partners Inc. ⁽⁷⁾	360,000	7.2%	—	—	5.0%
Periscope Capital Inc. ⁽⁸⁾	252,100	5.0%	—	—	3.5%
Wolverine Asset Management, LLC ⁽⁹⁾	251,527	5.0%	—	—	3.5%

* Less than 1%

(1) Unless otherwise noted, the business address of each of the following is 38 Beach Road, #29-11, South Beach Tower Singapore 189767.

- (2) Interests shown consist solely of SPAC Class B Ordinary Shares. Such shares will automatically convert into SPAC Class A Ordinary Shares concurrently with or immediately following the consummation of SPAC's initial business combination on a one-for-one basis, subject to adjustment, or, at any earlier time at the option of the holders thereof.
- (3) Chenghe Investment I Limited, the New SPAC Sponsor, is the record holder of such shares. Chenghe Group Limited, a British Virgin Islands incorporated company, owns 100% of the voting securities of the New SPAC Sponsor. Mr. Richard Qi Li, who holds 100% of the voting securities of Chenghe Group Limited, may be entitled distributions of the founder shares and

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- has voting and investment discretion with respect to the ordinary shares held by Chenghe Group Limited through held of record by the New SPAC Sponsor. Mr. Richard Qi Li disclaims beneficial ownership over any securities owned by the New SPAC Sponsor other than to the extent of any pecuniary interest he may have therein, directly or indirectly.
- (4) LatAmGrowth Sponsor LLC, the Old SPAC Sponsor, is the record holder of such shares and is controlled by a board of managers initially consisting of Gerard Cremoux, Eduardo Cortina and Gerardo Mendoza. Each manager of LatAmGrowth Sponsor LLC has one vote, and the approval of two of the three members of the board of managers is required to approve an action of LatAmGrowth Sponsor LLC. Under the so-called "rule of three," if voting and dispositive decisions regarding an entity's securities are made by two or more individuals, and a voting and dispositive decision requires the approval of a majority of those individuals, then none of the individuals is deemed a beneficial owner of the entity's securities. This is the situation with regard to LatAmGrowth Sponsor LLC. Based upon the foregoing analysis, no individual manager of LatAmGrowth Sponsor LLC exercises voting or dispositive control over any of the securities held by LatAmGrowth Sponsor LLC even those in which he directly holds a pecuniary interest. Accordingly, none of them will be deemed to have or share beneficial ownership of such shares and, for the avoidance of doubt, each expressly disclaims any such beneficial interest to the extent of any pecuniary interest he may have therein, directly or indirectly.
 - (5) Based on a Schedule 13G filed on February 14, 2024 jointly by First Trust Merger Arbitrage Fund ("VARBX"), First Trust Capital Management L.P. ("FTCM"), First Trust Capital Solutions L.P. ("FTCS") and FTCS Sub GP LLC ("Sub GP"), VARBX beneficially owns 360,537 Class A ordinary shares, FTCM, FTCS and Sub GP beneficially own 367,260 Class A ordinary shares. FTCM is an investment adviser that provides investment advisory services to, among others, VARBX. FTCS and Sub GP are control persons of FTCM. The principal business address of FTCM, FTCS and Sub GP is 225 W. Wacker Drive, 21st Floor, Chicago, IL 60606. The principal business address of VARBX is 235 West Galena Street, Milwaukee, WI 53212.
 - (6) Based on a Schedule 13G filed on February 13, 2024, the shares are beneficially owned by Mizuho Financial Group, Inc., whose business address is 1-5-5, Otemachi, Chiyoda-ku, Tokyo 100-8176, Japan.
 - (7) Based on a Schedule 13G filed on February 9, 2024, the shares are beneficially owned by Polar Asset Management Partners Inc., whose business address is 16 York Street, Suite 2900, Toronto, ON, Canada M5J 0E6.
 - (8) Based on a Schedule 13G filed on February 9, 2024, the shares are beneficially owned by Periscope Capital Inc., whose business address is 333 Bay Street, Suite 1240, Toronto, Ontario, Canada M5H 2R2.
 - (9) Based on a Schedule 13G filed on February 8, 2024, the shares are beneficially owned by Wolverine Asset Management, LLC ("WAM"), whose sole member and manager is Wolverine Holdings, L.P. ("Wolverine Holdings"). Robert R. Bellick and Christopher L. Gust may be deemed to control Wolverine Trading Partners, Inc. ("WTP"), the general partner of Wolverine Holdings. The business address of WAM, Wolverine Holdings, Robert R. Bellick and Christopher L. Gust are c/o Wolverine Asset Management, LLC, 175 West Jackson Boulevard, Suite 340, Chicago, IL 60604.

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BENEFICIAL OWNERSHIP OF CAYCO SECURITIES AFTER BUSINESS COMBINATION

The following table sets forth information regarding the expected beneficial ownership of CayCo Ordinary Shares immediately following the consummation of the Business Combination by:

- each person who is expected to be the beneficial owner of 5% or more of the issued and outstanding CayCo Ordinary Shares;
- each person who is expected to become an executive officer or a director of CayCo; and
- all of the executive officers and directors of CayCo.

Unless otherwise indicated, CayCo believes that all persons named in the table will have, immediately after the consummation of the Business Combination, sole voting and investment power with respect to all CayCo Securities beneficially owned by them.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. A person is a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of the security, or "investment power," which includes the

power to dispose of or to direct the disposition of the security or has the right to acquire such powers within 60 days. Unless otherwise indicated, CayCo believes that all persons named in the table have sole voting and investment power with respect to all ordinary shares (of the applicable type) beneficially owned by them.

The expected beneficial ownership of shares of CayCo Ordinary Shares post-Business Combination assumes two scenarios, assuming that under each scenario, the Company Acquisition Percentage reaches 100% at the FST Restructuring Closing:

- **Scenario 1 — Assuming No Redemptions:** This presentation assumes that no holders of SPAC Class A Ordinary Shares exercise redemption rights for a pro rata share of the funds in the Trust Account and the total number of CayCo Ordinary Shares expected to be outstanding after the Closing will be 61,591,873.
- **Scenario 2 — Assuming Intermediate Redemptions:** This presentation assumes that the holders of 1,970,937 SPAC Class A Ordinary Shares exercise redemption rights for a pro rata share of the funds in the Trust Account and the total number of CayCo Ordinary Shares expected to be outstanding after the Closing will be 59,620,936.
- **Scenario 3 — Assuming Maximum Redemptions:** This presentation assumes that holders of 3,056,030 SPAC Class A Ordinary Shares will exercise their redemption rights. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing, (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing; and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have US\$5,000,001 net asset at the Closing as required by the SPAC Articles and Business Combination Agreement, which will be distributed immediately to CayCo at the written instruction of the chief executive officer of CayCo, and used for working capital and general corporate purposes. The total number of CayCo Ordinary Shares expected to be outstanding after the Closing will be 58,535,843.

In connection with the Business Combination, SPAC and the Company Parties agreed on a fixed post-money equity value of \$400,000,000 for FST and \$10.00 per share reference price. The expected beneficial ownership of CayCo Ordinary Shares immediately following consummations of the Business Combination, under both scenarios, has been determined based on the assumptions that (i) at Closing, the number of CayCo Ordinary Shares issued to former FST shareholders equal to the product of 40,000,000 and percentage of former FST shareholders participate

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in FST Restructuring, (ii) none of SPAC Shareholders or Company Shareholders purchase SPAC Ordinary Shares in the open market, (iii) SPAC's Sponsor has not made any Working Capital Loans to SPAC, and (iv) there are no other issuance of equity interests of SPAC or FST prior to or in connection with the Closing other than as contemplated by the Transactions. If the actual facts differ from these assumptions, these amounts will differ.

Name and Address of Beneficial Owner ⁽¹⁾	Assuming No Redemption ⁽²⁾		Assuming Intermediate (50%) Redemption ⁽³⁾		Assuming Maximum (77.5%) Redemption ⁽⁴⁾	
	Number of CayCo Ordinary Shares Beneficially Owned	Percentage of Issued and Outstanding CayCo Ordinary Shares	Number of CayCo Ordinary Shares Beneficially Owned	Percentage of Issued and Outstanding CayCo Ordinary Shares	Number of CayCo Ordinary Shares Beneficially Owned	Percentage of Issued and Outstanding CayCo Ordinary Shares
Current Directors and Executive Officers of CayCo:						
David Chuang	3,075,055	6.52%	3,075,055	6.80%	3,075,055	6.97%
Alex Yu-Chen, Liu	0	0.00%	0	0.00%	0	0.00%
Shintaro Tanahara ⁽⁵⁾	6,293,415	13.34%	6,293,415	13.92%	6,293,415	14.26%
Warren Chen-Teng, Huang	72,441	0.15%	72,441	0.16%	72,441	0.16%
Nick Ping-Chin, Chen	0	0.00%	0	0.00%	0	0.00%
Alan Yu-Cheng, Li	0	0.00%	0	0.00%	0	0.00%
Da-Li, Chuang	0	0.00%	0	0.00%	0	0.00%
Marie Wen-Chi, Chao	34,410	0.07%	34,410	0.08%	34,410	0.08%

Carie Hui-Ting, Hsu	14,488	0.03%	14,488	0.03%	14,488	0.03%
All officers and directors as a group (9) individuals) ⁽⁶⁾	9,489,809	20.11%	9,489,809	20.99%	9,489,809	21.50%
<i>Greater than 5% Holders:</i>						
Chenghe Investment I Limited ⁽⁷⁾	2,650,000	5.62%	2,650,000	5.86%	2,650,000	6.00%

* Less than 1.00%

- (1) Unless otherwise noted, the business address of each of the following is No. 3, Gongye 1st Rd., Minxiong Township, Chiayi County 621018, Taiwan.
- (2) Assumes no further SPAC Shareholders, collectively holding 3,941,873 shares exercise their redemption rights in connection with the Business Combination. As of December 31, 2023, there were approximately \$36.81 million in the Trust Account. Taking into account nil to be paid out in cash as redemption proceeds at the Closing of the Business Combination, all SPAC Public Shares previously subject to redemption for cash amounting to \$36.81 million would be transferred to shareholders' equity.
- (3) Reflects the redemption of nil share in connection with the Business Combination as reflected in the no-redemption scenario above, and additionally assumes that SPAC Shareholders holding 1,970,937 SPAC Class A Ordinary Shares, representing 50% of 3,941,873 SPAC Class A Ordinary Shares remaining outstanding on the date of this Registration Statement/Proxy Statement, will exercise redemption rights at an assumed per share price of \$11.06 in connection with the Business Combination. Under intermediate redemption scenario, an additional of \$21.80 million in the trust account will be need to be paid out in cash as redemption proceeds at the closing of the Business Combination, as compared with no redemption scenario. A total of \$21.80 million in the trust account will need to be paid out in cash as redemption proceeds.
- (4) Reflects the redemption of 1,970,937 SPAC Class A Ordinary Shares in connection with the Business Combination as reflected in the intermediate redemption scenario above, and additionally assumes that SPAC Shareholders holding 1,086,567 SPAC Class A Ordinary Shares will exercise their redemption rights at an assumed per share price of \$11.06 in connection with the Business Combination. Under the maximum redemption scenario, an additional amount of \$12.00 million in the trust account would need to be paid out in cash as redemption proceeds would be paid out in cash at the closing of the Business Combination. Taking into account \$21.80 million paid out under the intermediate redemption scenario, a total of \$33.80 million in the trust account will need to be paid out in cash as redemption proceeds. The number of Public Shares redeemed under the maximum redemption scenario is calculated based on the assumptions that following the redemption, (i) SPAC will be able to pay total liabilities in the amount of \$2.26 million as of December 31, 2023 from the Trust Account at the Closing; (ii) SPAC will be able to pay approximately \$2.54 million of estimated transaction expenses incurred in connection with the Business Combination from the Trust Account at the Closing and (iii) after the payment of liabilities and expenses set forth in (i) and (ii) above, SPAC will have US\$5,000,001 net asset at the Closing as required by the SPAC Articles. Assuming a \$11.06 per share redemption price, the number of Public Shares remaining outstanding following the redemption must be at least 885,843 shares for SPAC to fulfill all of the abovementioned assumptions under maximum redemption scenario.
- (5) Shintaro Tanahara is the record holder of 25,552 Cayco Ordinary Shares and Japan Brand Business Investment LLC is the record holder of 6,267,863 Cayco Ordinary Shares, Shintaro Tanahara is the Person In Charge of Japan Brand Business Investment LLC and holds 100% voting of the securities of Japan Brand Business Investment LLC. In aggregate, Shintaro Tanahara has voting and investment discretion with respect of 6,293,415 Cayco Ordinary Shares.

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- (6) All officers and directors as a group ([9] individuals) holds 3,221,946 Cayco Ordinary Shares directly, 6,267,863 in directly, and in aggregate 9,489,809 Cayco Ordinary Shares.
- (7) Chenghe Investment I Limited, the New SPAC Sponsor, is the record holder of such shares. Chenghe Group Limited, a British Virgin Islands incorporated company, is the sole member and the manager of the new Sponsor. Mr. Richard Qi Li, who holds 100% of the voting securities of Chenghe Group Limited, may be entitled to the right to receive one (1) CayCo Ordinary Share for each SPAC Class B Ordinary Share owned by Chenghe Investment I Limited. Mr. Richard Qi Li has voting and investment discretion with respect to the ordinary shares held by Chenghe Group Limited through held of record by Chenghe Investment I Limited. Mr. Richard Qi Li disclaims beneficial ownership over any securities owned by the Sponsor other than to the extent of any pecuniary interest he may have therein, directly or indirectly.

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PRICE RANGE OF SECURITIES

CayCo

Price Range of CayCo's Securities

Historical market price information regarding CayCo is not provided because there is no public market for its securities.

CayCo has not paid any cash dividends on the CayCo Ordinary Shares to date.

SPAC

Price Range of SPAC securities

SPAC Units, each of which consists of one SPAC Class A Ordinary Share and one-half of one SPAC Public Warrant. SPAC Unit began trading on Nasdaq under the symbol "LATGU" on January 25, 2022. On March 17, 2022, SPAC Class A Ordinary Shares and SPAC Public Warrants began trading on Nasdaq under the symbols "LATG" and "LATGW," respectively. On September 8, 2023, Nasdaq delisted the SPAC Public Warrants based on due to SPAC's failure to maintain a minimum of \$1,000,000 in aggregate market value of its outstanding SPAC Public Warrants, as set forth in Nasdaq's Listing Rule 5452(b)(C). Chenghe has not made any application to list the SPAC Public Warrants on the OTC markets, and Chenghe is not aware of any plan of CayCo to apply for the listing of CayCo Warrant on any stock exchange after the Closing. For more information, please see "*Risk Factors — SPAC Public Warrants have been delisted from Nasdaq.*" Each SPAC Public Warrant entitles the holder to purchase one SPAC Class A Ordinary Share at a price of \$11.50 per share, subject to adjustments. SPAC Warrants may only be exercised for a whole number of SPAC Class A Ordinary Shares and will become exercisable 30 days after the completion of an initial business combination. SPAC Warrants will expire five years after the completion of an initial business combination or earlier upon redemption or liquidation.

SPAC Class B Ordinary Shares are not listed on any stock exchange.

On December 21, 2023, the trading date before the public announcement of the Business Combination, SPAC Units and SPAC Class A Ordinary Shares closed at \$11.65 and \$11.02, respectively. On [•], 20[•], the Record Date, SPAC Class A Ordinary Shares closed at \$[•].

Dividend Policy

SPAC has not paid any cash dividends on its ordinary shares to date and do not intend to pay cash dividends prior to the completion of its initial business combination. The payment of cash dividends in the future will be dependent upon SPAC's revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of its initial business combination. The payment of any cash dividends of the ordinary shares of CayCo subsequent to the initial business combination will be within the discretion of the CayCo Board at such time.

The board of directors of CayCo has complete discretion in deciding whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that it may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in it being unable to pay its debts as they fall due in the ordinary course of business. In addition, CayCo's shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by CayCo's board of directors. Even if its board of directors decides to pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, its future results of operations and cash flow, its capital requirements and surplus, the amount of distributions, if any, received by it from its subsidiaries, its financial condition, contractual restrictions and other factors deemed relevant by its board of directors.

FST

Price Range of FST Securities and Dividends

Historical market price information regarding FST is not applicable.

LEGAL MATTERS

Ogier, counsel to CayCo, has provided a legal opinion regarding the validity of the CayCo Ordinary Shares offered by this Registration Statement/Proxy Statement. Certain legal matters relating to U.S. law will be passed upon for CayCo by Ross Law Group, PLLC, New York, NY.

Certain legal matters relating to U.S. law will be passed upon for SPAC by White & Case. Certain legal matters relating to Cayman Islands law will be passed upon for SPAC by Maples and Calder (Hong Kong) LLP.

EXPERTS

The financial statements of Chenghe Acquisition I Co. (formerly known as LatAmGrowth SPAC) as of December 31, 2022 and for the year ended December 31, 2022 and related notes, included in this Registration Statement/Proxy Statement have been audited by Marcum LLP, independent registered public accounting firm, as stated in their report herein (which contains an explanatory paragraph relating to substantial doubt about the ability of Chenghe Acquisition I Co. (formerly known as LatAmGrowth SPAC) to continue as a going concern, as described in Note 1 to the financial statements), appearing elsewhere in this Registration Statement/Proxy Statement and included in reliance upon such report given the authority of such firm as experts in accounting and auditing.

The financial statements of Chenghe Acquisition I Co. (formerly known as LatAmGrowth SPAC) as of December 31, 2023 and for the year ended December 31, 2023 and related notes, included in this Registration Statement/Proxy Statement have been audited by Marcum Asia CPAs LLP, independent registered public accounting firm, as stated in their report herein (which contains an explanatory paragraph relating to substantial doubt about the ability of Chenghe Acquisition I Co. (formerly known as LatAmGrowth SPAC) to continue as a going concern, as described in Note 1 to the financial statements), appearing elsewhere in this Registration Statement/Proxy Statement and included in reliance upon such report given the authority of such firm as experts in accounting and auditing.

The financial statements of FST as of December 31, 2023 and 2022, and for the years ended December 31, 2023 and 2022, included in this Registration Statement/Proxy Statement have been audited by Enrome LLP, an independent registered public accounting firm, as stated in their report. Such financial statements are included in reliance upon the report of such firm given their authority as experts in accounting and auditing.

Enrome LLP will be the auditors of CayCo following Closing.

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SERVICE OF PROCESS AND ENFORCEABILITY OF CIVIL LIABILITIES UNDER U.S. SECURITIES LAWS

CayCo is a company incorporated as an exempted company under the laws of the Cayman Islands with limited liability, which can enjoy the following benefits: (a) political and economic stability; (b) an effective judicial system; (c) a favorable tax system; (d) the absence of exchange control or currency restrictions; and (e) the availability of professional and support services. However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include:

- the Cayman Islands has a less exhaustive body of securities laws than the United States and these securities laws provide significantly less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

CayCo's constitutional documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, among us, our officers, directors and shareholders, be arbitrated.

All of CayCo's directors and executive officers as of the closing of the Business Combination will reside outside the United States. The majority of CayCo's assets and the assets of those non-resident persons are located outside the United States. As a result, it may be difficult or impossible for shareholders to effect service of process within the United States upon CayCo or those persons or to enforce against CayCo or them, judgments obtained in U.S. courts, or to enforce in U.S. courts, judgments obtained against them in courts in jurisdictions outside the United States, including judgments predicated upon civil liability provisions of the federal securities laws of the United States or other laws of the United States. It may also be difficult for shareholder to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against CayCo and its executive officers and directors.

CayCo has appointed Cogency Global Inc. as its agent upon whom process may be served in any action brought against CayCo under the laws of the United States arising out of this offering or any purchase or sale of securities in connection with this offering. In addition, investors should not assume that the courts of the Cayman Islands would enforce (i) judgments of U.S. courts obtained in actions against CayCo, its officers or directors, or other said persons, predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the CayCo; or (ii) in original actions, impose liabilities against CayCo or such directors, officers or experts predicated upon the federal securities laws of the United States or other laws of the United States. In addition, there is doubt as to the applicability of the civil liability provisions of federal securities laws of the United States to original actions instituted in the Cayman Islands. It may be difficult for an investor, or any other person or entity, to assert U.S. securities laws claims in original actions instituted in the Cayman Islands.

CayCo has been advised by its Cayman Islands legal counsel that there is uncertainty as to whether the courts of the Cayman Islands would:

- recognize or enforce against CayCo judgments of courts of the United States based on certain civil liability provisions of U.S. securities laws; and
- entertain original actions brought in each respective jurisdiction against CayCo or its directors or officers predicated upon the federal securities laws of the United States or the securities laws of any state in the United States.

There is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances recognize and enforce a foreign judgment, without any re-examination or re-litigation of matters adjudicated upon, provided such judgment:

- (a) is given by a foreign court of competent jurisdiction;
- (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given;
- (c) is final and conclusive;
- (d) is not in respect of taxes, a fine or a penalty;
- (e) was not obtained by fraud; and

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- (f) is not impeachable on the grounds of fraud and was not obtained in a manner, is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

Subject to the above limitations, in appropriate circumstances, a Cayman Islands court may give effect in the Cayman Islands to other kinds of final foreign judgments such as declaratory orders, orders for performance of contracts and injunctions.

However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

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WHERE YOU CAN FIND MORE INFORMATION

SPAC files reports, proxy statements and other information with the SEC as required by the Exchange Act. You can read SPAC's SEC filings, including this Registration Statement/Proxy Statement, over the Internet at the SEC's website at <http://www.sec.gov>. If you would like additional copies of this Registration Statement/Proxy Statement or SPAC's other filings with the SEC (excluding exhibits) or if you have questions about the Business Combination or the SPAC Shareholder Proposals to be presented at the SPAC Shareholders' Meeting, you should contact SPAC's proxy solicitation agent at the following address and telephone number:

[•]

You will not be charged for any of the documents you request. If your shares are held in a share brokerage account or by a bank or other nominee, you should contact your broker, bank or other nominee for additional information.

If you are a SPAC Shareholder and would like to request documents, please do so by [•], 2024 (five (5) Business Days before the date of the SPAC Shareholders' Meeting), in order to receive them before the SPAC Shareholders' Meeting. If you request any documents from SPAC, SPAC will mail them to you by first class mail, or another equally prompt means. All information contained in this Registration Statement/Proxy Statement relating to SPAC has been supplied by SPAC, and all such information relating to FST, Merger Sub and CayCo has been supplied by FST. Information provided by either SPAC or FST does not constitute any representation, estimate or projection of any other party.

This document is a proxy statement of SPAC for the SPAC Shareholders' Meeting. SPAC has not

authorized anyone to give any information or make any representation about the Business Combination or the parties thereto, including SPAC, that is different from, or in addition to, that contained in this Registration Statement/Proxy Statement. Therefore, if anyone does give you information of this sort, you should not rely on it. The information contained in this Registration Statement/Proxy Statement speaks only as of the date of this Registration Statement/Proxy Statement, unless the information specifically indicates that another date applies. This Registration Statement/Proxy Statement is part of a registration statement and constitutes a prospectus of CayCo in addition to being a proxy statement of SPAC for the SPAC Shareholders' Meeting. As allowed by SEC rules, this Registration Statement/Proxy Statement does not contain all of the information you can find in the exhibits to the registration statement. Information and statements contained in this Registration Statement/Proxy Statement are qualified in all respects by reference to the copy of the relevant contract or other document included as an annex to this Registration Statement/Proxy Statement.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Chenghe Acquisition I Co. (formerly "LatAmGrowth SPAC")

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Chenghe Acquisition I Co. (the “Company”) as of December 31, 2023, the related statement of operations, changes in shareholders’ deficit and cash flows for the year ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph — Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 1 to the financial statements, the Company is a Special Purpose Acquisition Corporation that was formed for the purpose of completing a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities on or before April 27, 2024 or by making additional contributions to the trust to further extend the business combination deadline through October 27, 2024. The Company entered into a business combination agreement with a business combination target on December 22, 2023; however, the completion of this transaction is subject to the approval of the Company’s shareholders among other conditions. There is no assurance that the Company will obtain the necessary approvals, satisfy the required closing conditions, raise the additional capital it needs to fund its operations, and complete the transaction prior to October 27, 2024, if at all. The Company also has no approved plan in place to extend the business combination deadline and fund operations for any period of time after October 27, 2024, in the event that it is unable to complete a business combination by that date. These matters raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans with regard to these matters are also described in Note 1. The financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Marcum Asia CPAs LLP

Marcum Asia CPAs LLP

We have served as the Company’s auditor since 2024.

New York, NY

April 12, 2024

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Chenghe Acquisition I Co. (formerly “LatAmGrowth SPAC”)

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Chenghe Acquisition I Co. (the “Company”) as of December 31, 2022, the related statements of operations, shareholders’ deficit and cash flows for the year ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph — Going Concern

The accompanying financial statements were prepared assuming that the Company will continue as a going concern. As more fully described in Note 1 to the financial statements included in the annual report on Form 10-K for the year ended December 31, 2022, the Company had less than twelve months to complete a business combination or the Company would cease all operations except for the purpose of liquidating. Further, the Company’s cash and working capital as of December 31, 2022 were not sufficient to complete its planned activities for a reasonable period of time, which was considered to be one year from the issuance date of the financial statements. These conditions raised substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters were also described in Note 1. The financial statements did not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (the “PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/S/ Marcum LLP

Marcum LLP

We have served as the Company’s auditor from 2021 to 2024.

Houston, TX

April 18, 2023

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CHENGHE ACQUISITION I CO. BALANCE SHEETS

	December 31, 2023	December 31, 2022
Assets		
Current Assets		
Cash	\$ —	\$ 1,103,214
Prepaid expenses	3,640	171,080
Total Current Assets	3,640	1,274,294
Cash and marketable securities held in Trust Account	43,605,597	134,512,063

Total Assets	\$ 43,609,237	\$ 135,786,357
Liabilities, Redeemable Ordinary Shares and Shareholders' Deficit		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,716,466	\$ 487,352
Promissory note – related party	404,170	—
Due to related party	—	319
Total Current Liabilities	2,120,636	487,671
Warrant liabilities	144,000	1,728,000
Deferred underwriting commissions	—	4,550,000
Total Liabilities	2,264,636	6,765,671
Commitments and Contingencies (Note 6)		
Class A ordinary shares subject to possible redemption, 3,941,873 and 13,000,000 shares at redemption value of \$11.06 and \$10.35 at December 31, 2023 and 2022, respectively	43,605,597	134,512,063
Shareholders' Deficit		
Preference shares, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Class A ordinary shares, \$0.0001 par value; 200,000,000 shares authorized; 1,058,127 and -0- shares issued and outstanding (excluding 3,941,873 and 13,000,000 shares subject to possible redemption) at December 31, 2023 and 2022, respectively	106	—
Class B ordinary shares, \$0.0001 par value; 20,000,000 shares authorized; 2,191,873 and 3,250,000 shares issued and outstanding at December 31, 2023 and 2022, respectively	219	325
Additional paid-in capital	1,960,254	—
Accumulated deficit	(4,221,575)	(5,491,702)
Total Shareholders' Deficit	(2,260,996)	(5,491,377)
Total Liabilities, Redeemable Ordinary Shares and Shareholders' Deficit	\$ 43,609,237	\$ 135,786,357

The accompanying notes are an integral part of the financial statements.

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**CHENGHE ACQUISITION I CO.
STATEMENTS OF OPERATIONS**

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Formation and operating costs	\$ 2,143,619	\$ 1,350,221
Loss from operations	(2,143,619)	(1,350,221)
Other income:		
Gain on change in fair value of warrants	1,584,000	9,216,000
Gain on expiration of overallotment option	—	390,000
Other income attributable to derecognition of deferred underwriting fee allocated to offering costs	186,550	—
Trust interest income	3,650,731	1,912,063
Expense recognized on transferring of 2,650,000 Class B ordinary shares from Old Sponsor to New Sponsor	(2,851,750)	—

Warrant issuance costs	—	(335,231)
Total other income, net	2,569,531	11,182,832
Net income	\$ 425,912	\$ 9,832,611
Basic and diluted weighted average shares outstanding of Class A ordinary shares subject to possible redemption	7,519,729	12,040,984
Basic and diluted net income per share, Class A ordinary shares subject to possible redemption	\$ 0.04	\$ 0.64
Basic and diluted weighted average shares outstanding of non-redeemable Class A and Class B ordinary shares	3,250,000	3,250,000
Basic and diluted net income per share, non-redeemable Class A and Class B ordinary shares	\$ 0.04	\$ 0.64

The accompanying notes are an integral part of the financial statements.

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**CHENGHE ACQUISITION I CO.
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Total Shareholder's Deficit
	Shares	Amount	Shares	Amount			
Balance – January 1, 2022	—	\$ —	3,737,500	\$ 374	\$ 24,626	\$ (90,535)	\$ (65,535)
Excess cash received over fair value of private placement warrants			—	—	1,896,000	—	1,896,000
Forfeiture of 487,500 Class B ordinary shares upon expiration of overallotment option	—	—	(487,500)	(49)	49	—	—
Remeasurement of Class A ordinary shares to redemption amount	—	—	—	—	(1,920,675)	(15,233,778)	(17,154,453)
Net income			—	—	—	9,832,611	9,832,611
Balance – December 31, 2022	—	\$ —	3,250,000	\$ 325	\$ —	\$ (5,491,702)	\$ (5,491,377)
Conversion of Class B ordinary shares to Class A ordinary shares	1,058,127	106	(1,058,127)	(106)	—	—	—
Waived Deferred Underwriter Commissions	—	—	—	—	—	4,363,450	4,363,450
Remeasurement of Class A ordinary shares to redemption amount	—	—	—	—	(1,191,496)	(3,519,235)	(4,710,731)
Waived April 2023 Promissory Note	—	—	—	—	300,000	—	300,000
Transfer of 2,650,000 Class B ordinary shares from Old Sponsor to New Sponsor	—	—	—	—	2,851,750	—	2,851,750
Net income	—	—	—	—	—	425,912	425,912
Balance – December 31, 2023	1,058,127	\$ 106	2,191,873	\$ 219	\$ 1,960,254	\$ (4,221,575)	\$ (2,260,996)

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**CHENGHE ACQUISITION I CO.
STATEMENTS OF CASH FLOWS**

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cash flows from operating activities		
Net income	\$ 425,912	\$ 9,832,611
Adjustments to reconcile net income to net cash used in operating activities:		
Interest earned on marketable securities held in Trust Account	(3,650,731)	(1,912,063)
Other income attributable to derecognition of deferred underwriting fee allocated to offering costs	(186,550)	—
Expense recognized on transferring of 2,650,000 Class B ordinary shares from Old Sponsor to New Sponsor	2,851,750	—
Warrant issuance costs	—	335,231
Unrealized gain on change in fair value of warrants	(1,584,000)	(9,216,000)
Gain on expiration of overallotment option	—	(390,000)
Changes in operating assets and liabilities:		
Prepaid expenses	167,440	(171,080)
Accounts payable and accrued expenses	1,229,114	373,391
Due to related party	(319)	319
Net cash used in operating activities	(747,384)	(1,147,591)
Cash flows from investing Activities		
Principal deposited in Trust Account	(1,060,000)	(132,600,000)
Cash deposited into an interest – bearing deposit trust account	(43,179,525)	—
Cash withdrawn from disposal of marketable securities held in trust account	43,179,525	—
Cash withdrawn from Trust Account in connection with redemption	95,617,197	—
Net cash provided by (used in) investing activities	94,557,197	(132,600,000)
Cash flows from financing Activities		
Proceeds from initial public offering, net of underwriters’ discount	—	127,400,000
Proceeds from private placement	—	7,900,000
Payment of Sponsor promissory note	—	(142,350)
Payment of deferred offering costs	—	(306,845)
Proceeds from issuance of promissory notes to Sponsor	704,170	—
Redemption of ordinary shares	(95,617,197)	—
Net cash (used in) provided by financing activities	(94,913,027)	134,850,805
Net change in cash	(1,103,214)	1,103,214
Cash, beginning of the period	1,103,214	—
Cash, end of the period	\$ —	\$ 1,103,214
Supplemental disclosure of cash flow information:		
Deferred offering costs included in accounts payable and accrued offering		

costs and expenses	\$ —	\$ 250
Waived deferred underwriting commissions charged to accumulated deficit	\$ 4,363,450	\$ —
Waived promissory note charged to additional paid in capital	\$ 300,000	\$ —
Remeasurement of Class A ordinary shares to redemption amount	\$ 4,710,731	\$ 17,154,453
Deferred underwriting commissions payable charged to additional paid in capital	\$ —	\$ 4,550,000
Deferred offering costs charged to additional paid in capital	\$ —	\$ 497,620
Unexercised overallotment liability charged to APIC	\$ —	\$ 390,000
Reclass of warrant fair value from equity to liability	\$ —	\$ 9,048,000
Initial value of Class A ordinary shares subject to possible redemption	\$ —	\$ 117,357,610

The accompanying notes are an integral part of the financial statements.

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION

Chenghe Acquisition I Co. (f/k/a LatAmGrowth SPAC) (the “Company”) was incorporated as a Cayman Islands exempted company on May 20, 2021. On October 25, 2023, shareholder of the Company approved to change the name of the Company from LatAmGrowth SPAC to Chenghe Acquisition I Co. as a result of the Sponsor Sale (see details of such Sponsor Sale below). The Company was incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities (the “Business Combination”).

As of December 31, 2023, the Company had not commenced any operations. All activity for the period from May 20, 2021 (inception) through December 31, 2023 relates to the Company’s formation, its initial public offering (the “IPO”), the search for a Business Combination target and the negotiation of a Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income on cash and cash equivalents from the proceeds derived from the IPO. The Company has selected December 31 as its fiscal year end.

The registration statement for the Company’s IPO was declared effective on January 24, 2022. On January 27, 2022, the Company consummated the IPO of 13,000,000 units, (the “Units” and, with respect to the Class A ordinary shares included in the Units being offered, the “Public Shares”), at \$10.00 per Unit, generating gross proceeds of \$130,000,000, which is discussed in Note 3. Each Unit consists of one Public Share and one-half of one redeemable warrant (the “Public Warrant”). On September 8, 2023, BofA Securities, Inc. (“BofA”) delivered a letter to the Company to waive its entitlement to the payment of \$2,275,000 deferred underwriting fee to be paid under the terms of the underwriting agreement (the “Underwriting Agreement”) dated January 24, 2022 entered into in connection with the IPO by and among the Company, BofA and Banco BTG Pactual S.A. (“BTG Pactual”). On September 19, 2023, BTG Pactual delivered a letter to the Company to waive its entitlement to the payment of \$2,275,000 deferring underwriting fee with respect to the Business Combination.

Simultaneously with the closing of the IPO, the Company consummated the sale of 7,900,000 warrants (the “Private Placement Warrants”), at a price of \$1.00 per Private Placement Warrant in a private placement to LatAmGrowth Sponsor LLC, a Delaware limited liability company (the “Old Sponsor”), generating gross proceeds of \$7,900,000, which is discussed in Note 4.

Transaction costs amounted to \$7,647,620 consisting of \$2,600,000 of underwriting discount, \$4,550,000 of deferred underwriting discount, and \$497,620 of other offering costs. In addition, \$2,494,203 of cash was held outside of the Trust Account (as defined below) and was available for working capital purposes at the consummation of the IPO.

The Company must complete one or more Business Combinations having an aggregate fair market value of at least 80% of the value of the assets held in the Trust Account (as defined below) (excluding the deferred underwriting commissions and taxes payable on the interest earned on the Trust Account) at the time of the Company’s signing a definitive agreement in connection with the initial Business Combination. However, the Company will only complete such Business Combination if the post transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target

sufficient for it not to be required to register as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”). There is no assurance that the Company will be able to complete a Business Combination successfully.

Following the closing of the IPO on January 27, 2022, an amount of \$132,600,000 (\$10.20 per Unit) from the net proceeds of the sale of the public units in the IPO and the sale of the Private Placement Warrants was placed in a Trust Account (“Trust Account”) and was invested only in U.S. government treasury obligations with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act that invest only in direct U.S. government treasury obligations. Except with respect to interest earned on the funds held in the Trust Account that may be released to the Company to pay its taxes, if any, the proceeds from the IPO and the sale of the Private Placement Warrants will not be released from the Trust Account until the earliest of (i) the completion of the initial Business Combination, (ii) the redemption of the public shares if the Company has not completed its initial Business Combination within the time frame to consummate the business combination

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

period (the “Combination Period”) as defined in its amended and restated memorandum and articles of association (as amended from time to time, the “MAA”) or during any extended time that the Company has to consummate a Business Combination as a result of a shareholder vote to amend its MAA or (iii) the redemption of the public shares properly submitted in connection with a shareholder vote to amend the Company’s MAA to (A) modify the substance or timing of the Company’s obligation to allow redemption in connection with the initial Business Combination or to redeem 100% of the public shares if the Company has not consummated an initial Business Combination within the Combination Period or (B) with respect to any other material provisions relating to shareholders’ rights or pre-initial Business Combination activity. The proceeds deposited in the Trust Account could become subject to the claims of the Company’s creditors, if any, which could have priority over the claims of the public shareholders.

The Company will provide its public shareholders with the opportunity to redeem all or a portion of their public shares upon the completion of the initial Business Combination either (i) in connection with a general meeting called to approve the initial Business Combination or (ii) without a shareholder vote by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a proposed initial Business Combination or conduct a tender offer will be made by the Company, solely in its discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would require the Company to seek shareholder approval under applicable law or stock exchange listing requirements.

The shareholders will be entitled to redeem their shares at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account calculated as of two business days prior to the consummation of the initial Business Combination, including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its taxes, divided by the number of then outstanding public shares, subject to the limitations and on conditions described in the Company’s IPO Prospectus. The amount in the Trust Account is \$11.06 per public share as of December 31, 2023.

Ordinary shares subject to redemption are recorded at redemption value and classified as temporary equity following the completion of the IPO, in accordance with Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity” (“ASC 480”).

On April 13, 2023, the Company convened an extraordinary general meeting (the “First Extraordinary General Meeting”) virtually. At the First Extraordinary General Meeting, the shareholders approved (1) the proposal to amend the Company’s MAA to extend the date (the “Termination Date”) by which the Company must (i) consummate its Business Combination, (ii) cease its operations except for the purpose of winding up if it fails to consummate a Business Combination, and (iii) redeem all of the Company’s Public Shares from April 27, 2023 to November 27, 2023 (the “First Extension Amendment” and such proposal, the “First Extension Amendment Proposal”); (2) the proposal to amend the Investment Management Trust Agreement, dated January 24, 2022 (the “Trust Agreement”), by and between the Company and Continental Stock Transfer & Trust Company, to allow the Company to extend, on a month to month basis, the date on which the Trustee must liquidate the Trust Account established by the Company in connection with the IPO if the Company has not completed its initial Business Combination, from April 27, 2023 to up to November 27, 2023 by depositing into the Trust Account the lesser of \$150,000 or \$0.0375 per Public Share that remains outstanding and is not redeemed in connection with the First Extension Amendment Proposal per calendar month commencing on April 27, 2023 (the “First Trust

Amendment”); (3) the proposal to amend the Company’s MAA to provide for the right of a holder of the Company’s Class B ordinary shares (par value \$0.0001, the “Class B ordinary shares” or “founder shares”) to convert into Class A ordinary shares on a one-for-one basis prior to the closing of a Business Combination at the election of the holder (the “Founder Share Amendment Proposal”); and (4) the proposal to amend the Company’s MAA to remove the limitation that the Company shall not redeem Public Shares to the extent that such redemption would cause the Company’s net tangible assets to be less than \$5,000,001. The approval of the First Extension Amendment Proposal gives the Company an additional 7 months to consummate its Business Combination under the Combination Period.

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

Additionally, at the First Extraordinary General Meeting, holders of Public Shares were afforded the opportunity to require the Company to redeem their Public Shares for their pro rata share of the Trust Account. 7,399,517 of the 13,000,000 Public Shares were redeemed at a redemption price of approximately \$10.47 per share for an aggregate redemption amount of approximately \$77.5 million, leaving 5,600,483 Public Shares remaining outstanding. Following this redemption, the balance in the Trust Account was approximately \$58.6 million.

On April 13, 2023, the Company issued a non-interest bearing non-convertible unsecured promissory note to the Old Sponsor for a principal amount of up to \$1,050,000 to fund the contributions to the Company’s Trust Account in connection with the First Extension Amendment and the First Trust Amendment (“April 2023 Note”). On each of April 27, 2023, May 30, 2023 and June 28, 2023, the Company deposited \$150,000, for an aggregated of \$450,000 into the Trust Account, of which, \$300,000 was raised from the April 2023 Note. The April 2023 Note was terminated on October 4, 2023 and all amounts outstanding under the April 2023 Note, amounted to \$300,000, are forgiven without any further liability of the Company or the Old Sponsor. The amounts forgiven are booked as a capital transaction at October 4, 2023.

On June 15, 2023, the Company received a written notice from the Listing Qualifications Department (the “Staff”) of the Nasdaq Stock Market LLC (“NASDAQ”) indicating that since the Company’s aggregate market value of its outstanding warrants was less than \$1,000,000, the Company was no longer in compliance with the Nasdaq Global Market continued listing criteria set forth in the Nasdaq Listing Rule 5452(b)(C) (the “Rule”), which requires the Company to maintain an aggregate market value of its outstanding warrants of at least \$1,000,000 (the “Notice”). The Company has been given 45 calendar days from the date of the Notice to submit a plan to regain compliance with the Rule. The Company did not submit such plan. On August 16, 2023, the Staff notified the Company that NASDAQ determined to commence proceedings to delist the Company’s Public Warrants, each whole warrant exercisable to purchase one Class A ordinary share at a price of \$11.50 per share, and listed to trade on NASDAQ under the symbol “LATGW”, from NASDAQ and that trading in the Public Warrants would be suspended at the opening of business on August 25, 2023, due to the Company’s failure to maintain a minimum of \$1,000,000 in aggregate market value of its outstanding warrants for continued listing under NASDAQ Listing Rule 5452(b)(C). The Company did not appeal the Staff’s delisting determination. As a result, a Form 25-NSE was filed by NASDAQ on September 8, 2023 with the Securities and Exchange Commission (the “SEC”) to remove the Company’s Public Warrants from listing and registration on NASDAQ.

The Company’s current Sponsor is Chenghe Investment I Limited, an exempted company incorporated with limited liability under the laws of Cayman Islands (the “New Sponsor” and “Sponsor” means each of the Old Sponsor and the New Sponsor, unless the context indicates otherwise). On September 29, 2023, the Company, the Old Sponsor and the New Sponsor entered into a securities purchase agreement (the “SPA”), and on October 6, 2023, the Old Sponsor and the New Sponsor consummated the transactions contemplated by the SPA (the “Sponsor Sale”) pursuant to which the New Sponsor acquired an aggregate of (i) 2,650,000 Class B ordinary shares, par value \$0.0001 per share of the Company and (ii) 7,900,000 Private Placement Warrants held by the Old Sponsor for an aggregate purchase price of \$1.00 plus New Sponsor’s agreement to deposit into the Trust Account (a) on the closing of the Sponsor Sale, \$450,000 for due and payable extension contribution payments which was provided to the Company in the form of a promissory note from the New Sponsor incurred prior to the date of the SPA and (b) on any other applicable due date, other extension payments that may become due after the Sponsor Sale, and in accordance with the terms of the Trust Agreement. Prior to the Sponsor Sale closing, the Old Sponsor and the Company shall take all actions necessary to ensure that the Company has fully satisfied, discharged and/or paid all of the Company’s Liabilities (as defined in the SPA) incurred on or prior to the closing date of the Sponsor Sale. Following the completion of the Sponsor Sale, the Old Sponsor owns 600,000 Class B ordinary shares and no Private Placement Warrants. The Old Sponsor, the New Sponsor and the Company further

agreed that after the completion of the Sponsor Sale, to the extent that the New Sponsor transfers any Class B ordinary shares (the “Committed Shares”) for the purpose of securing further extension of the period of time that the Company can consummate its initial Business Combination (“Further Extension”), or reducing the number of holder of Class A ordinary shares electing to exercise its redemption rights in connection with any Further Extension, if the number of Class B ordinary shares so transferred by the New Sponsor is less than 1,000,000 Class B ordinary shares, the New Sponsor shall transfer to the Old Sponsor, at the closing of the Business

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

Combination, a number of additional Class B ordinary shares equal to the product of (i) 1,000,000 minus the number of Committed Shares and (ii) 0.5, rounded down to the nearest whole number (the “Earnout Shares”), provided that the number of Earnout Shares shall not exceed 250,000 Class B ordinary shares in the aggregate; provided further that, if the New Sponsor uses only cash or other arrangements (excluding the use of Class B ordinary shares) to secure the Further Extension, the amount of the Earnout Shares shall be 100,000 Class B ordinary shares. For the avoidance of doubt, if the New Sponsor uses a combination of cash or other arrangements and Class B ordinary shares to secure the Further Extension, the Old Sponsor shall be entitled to receive Earnout Shares based on the number of Class B ordinary shares transferred, in accordance with the formula described above.

The Company analyzed the SPA entered into during September 2023 under SAB Topic 5, Miscellaneous Accounting, section T, Accounting for Expenses or Liabilities Paid by Principal Stockholder(s) and concluded that the SPA provides the Company with a benefit in the form of the right to receive additional extension contributions from the New Sponsor. The right to receive the additional extension contributions required the New Sponsor, who is a principal shareholder, to provide or cause to provide consideration in the form of a transfer of Class B ordinary shares of the Company. The estimated fair value of the earnout provision at the closing of the Sponsor Sale on October 6, 2023 is nominal to zero. As a result, the Company determined that an expense in the full amount of the fair value of the Class B ordinary shares transferred should be recorded. During October 2023, the Company recorded an expense under SAB Topic 5T of \$2,851,750 with a corresponding increase to additional paid-in capital, based on a Monte Carlo Model simulation valuation of the Class B ordinary shares.

In connection with the Sponsor Sale, previous management of the Company, Gerard Cremoux, former chief executive officer, chief financial officer and director, and Gerardo Mendoza, former chief investment officer, and former directors of the Company Michael McGuiness, Eduardo Cortina, Carole Philippe, Miguel Olea, Zain Manekia and Hector Martinez resigned from their respective position as a director (and/or officer, as the case may be), effective upon the closing of the Sponsor Sale. On October 6, 2023, Shilin Wang, Ning Ma, Kwan Sun and James Zhang were appointed as directors of the Company, and Zhiyang Zhou was appointed as chief executive officer and chief financial officer of the Company.

On October 25, 2023, the Company held an extraordinary general meeting (the “Second Extraordinary General Meeting”) at which the shareholders approved (1) the proposal to amend the MAA to extend (the “Second Extension”) the Termination Date from October 27, 2023 to January 27, 2024 for a deposit of the lesser of (a) \$240,000 in the aggregate and (b) \$0.06 for each of the Class A ordinary share not elected to be redeemed immediately after the Second Extraordinary General Meeting; and to allow the Company, without the need for any further approval of the Company’s shareholders, by resolutions of the board of directors of the Company, to further extend the Termination Date for up to 9 times, each time by one month, from January 27, 2024 up to October 27, 2024, for the deposit of the lesser of (a) \$80,000 and (b) \$0.02 for each of the Class A ordinary share not elected to be redeemed immediately after the Second Extraordinary General Meeting (the “Second Extension Amendment” and such proposal, the “Second Extension Amendment Proposal”; the deposits in relation to the extension, collectively, the “Extension Contributions”); (2) the proposal to amend the Trust Agreement to reflect the Second Extension, and to allow the Company to maintain any remaining amount in its Trust Account in an interest bearing demand deposit account at a bank; and (3) the proposal to change the Company’s name from LatAmGrowth SPAC to Chenghe Acquisition I Co.

In connection with the vote to approve the Second Extension Amendment Proposal, the holders of 1,658,610 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.94 per share, for an aggregate redemption amount of approximately \$18.1 million, leaving approximately \$43.0 million in the Trust Account.

On October 25, 2023, the Company issued a non-interest bearing non-convertible unsecured promissory note (the “October 2023 Note”) to the New Sponsor, for a principal amount of up to \$1,960,000. As of

December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. Including the \$428,000 cash transferred from the Company's bank account controlled by the Old Sponsor to the account controlled by the New Sponsor (as mentioned above), the New Sponsor paid \$832,170 in total, on behalf of the Company, for extension and working

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

capital purposes, of which \$610,000 was used for extension deposits and \$222,170 was used for working capital purposes. As of the date hereof, additional \$450,159 has been drawn from the October 2023 Note for working capital purposes.

On each of October 30, 2023 and November 29, 2023, the Company deposited \$80,000 as Extension Contributions into the Trust Account to extend the Termination Date to December 27, 2023. On January 3, 2024, \$76,512 was deposited as Extension Contribution into the Trust Account by FST (as defined below) pursuant to the Business Combination Agreement (as defined below), whereunder FST agreed to bear all of the fees and costs relating to the extension of the Company's Termination Date not exceeding \$80,000 per month. On each of February 2, 2024, March 4, 2024 and April 2, 2024, \$78,837 was deposited as Extension Contribution into the Trust Account by FST pursuant to the Business Combination Agreement, extending the Termination Date to April 27, 2024. The Extension Contributions loaned by the Sponsor will be forgiven if the Company is unable to consummate a Business Combination except to the extent of any funds held outside of the Trust Account. If the Business Combination Agreement is terminated by FST due to the Company's shareholders' failure to approve the FST Business Combination (as defined below) or the Company's material breach of its obligations as described in the Business Combination Agreement, the Company shall pay and reimburse FST the Extension Contribution(s) FST has deposited in the Trust Account with funds held outside of the Trust Account.

On November 6, 2023, pursuant to the Trust Agreement (as amended on October 25, 2023), the Company instructed Continental Stock Transfer & Trust Company to hold all funds in the Trust Account uninvested in an interest-bearing bank deposit account.

On October 2, 2023, the Old Sponsor entered into the EBC Letter Agreement, under which, the Old Sponsor agreed to (i) transfer, at no consideration, to EBC 25,000 Class B ordinary shares of the Company held by the Old Sponsor at the closing of the Business Combination. If the Old Sponsor is required to forfeit Class B ordinary shares to the Company that it's retaining pursuant to the SPA so that the total number of Class B ordinary shares becomes less than 500,000, EBC will forfeit a pro rata number of Class B ordinary shares with the Old Sponsor's reduction below 500,000 such that the Class B ordinary shares held by EBC will then represent 5% of the total Class B ordinary shares held by the Old Sponsor and EBC; (ii) transfer to EBC an aggregate of 26.7% of any consideration it receives as a result of certain "tail" arrangement it has with a third party as a result of a proposed transaction; and (iii) pay to EBC an aggregate of \$5,000 to reimburse EBC for expenses incurred by it for the services rendered to the Company and the Old Sponsor.

The 25,000 Class B ordinary shares that the Old Sponsor agreed to transfer to EBC (subject to forfeiture) were valued at \$1.09 per share or an aggregate of \$27,336 as at October 2, 2023, based on a Monte Carlo Model simulation valuation of the Class B ordinary shares. The amount will be recorded as Compensation Expense at the close of a Business Combination. The estimated fair value of the forfeiture provision on October 2, 2023, the date of the EBC Letter Agreement, was immaterial.

On October 2, 2023, in connection with the Sponsor Sale, EBC issued the EBC Waiver Letter to the Company, pursuant to which, the EBC BCMA is terminated. Under the EBC Waiver Letter, the Company agreed that such Class B ordinary shares to be transferred by the Old Sponsor to EBC under the EBC Letter Agreement will have the same registration rights as the other Class B ordinary shares held by the Old Sponsor.

On October 4, 2023, all amounts outstanding under the April 2023 Note were forgiven without any further liability of the Company or the Old Sponsor. The amounts forgiven are booked as a capital transaction at October 4, 2023.

On November 8, 2023, the New Sponsor notified the Company that it elected to convert 1,058,127 Class B ordinary shares held by itself to the same number of Class A ordinary shares, pursuant to the Founder Share Amendment Proposal. On November 16, 2023, 1,058,127 Class B ordinary shares held by the New Sponsor were converted into

**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

the same number of Class A ordinary shares. As of December 31, 2023, there were 5,000,000 Class A ordinary shares (3,941,873 shares are subject to possible redemption) and 2,191,873 Class B ordinary shares of the Company, issued and outstanding.

On November 8, 2023, the Company and Continental Stock Transfer & Trust Company entered into the Amendment No.3 to the Investment Management Trust Agreement, pursuant to which, all references to “LatAmGrowth SPAC” in the Trust Agreement, including the exhibits thereto, are amended to “Chenghe Acquisition I Co.”.

On January 31, 2024, the Company signed an engagement letter with Revere Securities, LLC, pursuant to which, the Company has engaged Revere Securities, LLC to act as its financial advisor (a) in connection with the FST Business Combination and (b) on any private investment in the Company consisting of equity, debt, and/or equity-linked securities in connection with the FST Business Combination.

If the Company has not consummated the Business Combination within the Combination Period, the Company will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public shareholders’ rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company’s remaining shareholders and the Company’s board of directors, liquidate and dissolve, subject, in each case, to the Company’s obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law.

The Sponsor and each member of the management team have agreed to (i) waive their redemption rights with respect to their founder shares and public shares in connection with the completion of the initial Business Combination; (ii) waive their redemption rights with respect to their founder shares and public shares in connection with a shareholder vote to approve an amendment to the Company’s MAA (A) to modify the substance or timing of the Company’s obligation to allow redemption in connection with the initial Business Combination or to redeem 100% of the public shares if the Company has not consummated an initial Business Combination within the Combination Period or (B) with respect to any other material provisions relating to shareholders’ rights or pre-initial Business Combination activity; (iii) waive their rights to liquidating distributions from the Trust Account with respect to their founder shares if the Company fails to complete the initial Business Combination within the Combination Period, although they will be entitled to liquidating distributions from the Trust Account with respect to any public shares they hold if the Company fails to complete its initial Business Combination within the prescribed time frame; and (iv) vote any founder shares held by them and any public shares purchased during or after the IPO (including in open market and privately-negotiated transactions) in favor of the initial Business Combination.

The Sponsor has agreed that it will be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has entered into a written letter of intent, confidentiality or other similar agreement or Business Combination agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) \$10.20 per public share and (ii) the actual amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account, if less than \$10.20 per share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) nor will it apply to any claims under the Company’s indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act. However, the Company has not asked the Sponsor to reserve for such indemnification obligations, nor have the Company independently verified whether the Sponsor has sufficient funds to satisfy its indemnity obligations and the Company believes that the Sponsor’s only assets are securities of the Company. Therefore, the Company cannot provide assurance that the Sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the Trust Account, the funds available for the initial Business Combination and redemptions could be reduced to less than \$10.20 per public share. In such event, the Company may not be able to complete the

**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

initial Business Combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of the Company's officers or directors will indemnify the Company for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

Business Combination Agreement and Ancillary Agreements

Business Combination Agreement

On December 22, 2023, the Company entered into a business combination agreement (the "**Business Combination Agreement**") with FST Corp., a Cayman Islands exempted company limited by shares ("**CayCo**"), FST Merger Ltd., a Cayman Islands exempted company limited by shares and a direct wholly owned subsidiary of CayCo, ("**Merger Sub**") and Femco Steel Technology Co., Ltd., a company limited by shares incorporated and in existence under the laws of Taiwan with uniform commercial number of 04465819 ("**FST**" and together with CayCo and Merger Sub, the "**FST Parties**"), pursuant to which, among other transactions, on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into the Company with the Company being the surviving company and as a direct, wholly owned subsidiary of CayCo (the "**Merger**"), and the Company will change its name to "FST Ltd." (the "**FST Business Combination**"). Under the Business Combination Agreement, FST agreed to bear all of the fees and costs relating to the extension of the Company's Termination Date not exceeding \$80,000 per month. The Extension Contributions loaned to the Company will be forgiven if the Company is unable to consummate a Business Combination except to the extent of any funds held outside of the Trust Account. If the Business Combination Agreement is terminated by FST due to the Company's shareholders' failure to approve the FST Business Combination or the Company's material breach of its obligations as described in the Business Combination Agreement, the Company shall pay and reimburse FST the Extension Contribution(s) FST has deposited in the Trust Account with funds held outside of the Trust Account.

Pursuant to the Business Combination Agreement, at the time when the Merger becomes effective, (i) each outstanding Unit of the Company will be automatically separated ("**Unit Separation**") and the holder thereof will be deemed to hold one Class A ordinary share and one-half of one Public Warrant of the Company; (ii) each then issued and outstanding Class B ordinary share of the Company will be automatically converted into one Class A ordinary share of the Company (the "**SPAC Class B Conversion**") and each Class B ordinary share of the Company will no longer be issued and outstanding and will automatically be cancelled and cease to exist; (iii) each Class A ordinary share of the Company (which for the avoidance of doubt, includes the Class A ordinary shares (A) issued in connection with the SPAC Class B Conversion; and (B) held as a result of Unit Separation) will convert into the right to receive one ordinary share of CayCo; and (iv) each warrant of the Company that is outstanding and unexercised will automatically convert into the right to receive a warrant of CayCo, which shall be on the same terms and conditions as the applicable warrant of the Company.

Under the Business Combination Agreement, the obligations of the parties (or, in some cases, some of the parties) to consummate the FST Business Combination are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others, (i) the accuracy of representations and warranties to various standards, from no material qualifier to a material adverse effect qualifier, (ii) material compliance with pre-closing covenants, (iii) no material adverse effect for FST, (iv) FST's Company Acquisition Percentage (as defined in the Business Combination Agreement) reaching at least 90%, (v) the consummation of the FST Restructuring (as defined in the Business Combination Agreement), (vi) the delivery of customary closing certificates, (vii) the receipt of Taiwan DIR Approval and such approval being effective, (viii) the absence of a legal prohibition on consummating the transactions, (ix) approval by the SPAC's and the Company's shareholders, (x) approval of a listing application on the applicable stock exchange for newly issued shares, and (xi) SPAC having at least US\$5,000,001 of net tangible assets remaining after redemption.

**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

The Business Combination Agreement contemplates the execution of various additional agreements and

instruments, on or before the closing of the FST Business Combination, including, among others, the following:

Sponsor Support Agreement

Concurrently with the extension of the Business Combination Agreement, the Company, the New Sponsor, the Old Sponsor and FST entered into a sponsor support agreement (the “Sponsor Support Agreement”), pursuant to which each Sponsor has agreed to, among other things, vote in favor of the transaction contemplated under the Business Combination Agreement, from the date when FST received the Taiwan DIR Approval (as defined therein) until the closing of the FST Business Combination or, if earlier, until termination of the Business Combination Agreement.

Company Shareholder Support Agreement

Concurrently with the execution of the Business Combination Agreement, the Company, FST, CayCo, certain shareholders of FST listed thereto and certain shareholders of CayCo listed thereto entered into a company shareholder support agreement (the “Company Support Agreement”), pursuant to which each signatory shareholders of FST and CayCo has agreed to, among other things, vote to the transactions contemplated under the Business Combination Agreement, and to not transfer any Subject Shares (as defined therein) until termination of the Company Support Agreement.

Lock-up Agreement

At the closing of the FST Business Combination, CayCo, the New Sponsor, certain shareholder of FST (the “Company Holders”) listed thereto and certain person listed thereto (the “Sponsor Key Holders”, and together with the Company Holders, the “Holders”) will enter into a lock-up agreement (the “Lock-up Agreement”), pursuant to which, each Holder agrees to not to transfer any Lock-Up Shares (as defined therein) for a period of six (6) months after the closing date of the FST Business Combination, with certain exceptions and carveouts.

Investor Rights Agreement

At the closing of the FST Business Combination, CayCo, the Company, FST and other parties listed thereto will enter into an investor rights agreement (the “Investor Rights Agreement”). Pursuant to the Investor Rights Agreement, (i) CayCo will agree to undertake certain resale shelf registration obligations in accordance with the Securities Act and certain holders have been granted customary demand and piggyback registration rights, and (ii) each party to the Investor Rights Agreement agrees to cause (x) the board of CayCo to be comprised of five (5) directors (subject to increase by unanimous resolutions of the board from time to time), (y) one (1) of such directors should be nominated by the New Sponsor and (z) as long as the Sponsor Parties (as defined therein) beneficially own any ordinary shares of CayCo, CayCo shall take all necessary actions to cause the individuals nominated by the New Sponsor for election as directors to be elected as directors.

Liquidity, Capital Resources and Going Concern

As of December 31, 2023, the Company had no cash on hand and working capital deficit of \$2,116,996. On October 6, 2023, the Company transferred cash balance of \$428,000 from its bank account controlled by the Old Sponsor to an account controlled by the New Sponsor, as the new bank account of the Company under the control of the New Sponsor has not been set up yet as of December 31, 2023. In January 2024, the Company set up a new bank account under control of the New Sponsor, as of the date hereof, no cash was deposited in the new bank account.

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION (cont.)

The Company’s liquidity needs prior to the IPO had been satisfied through a payment from the Old Sponsor of \$25,000 (see Note 5) for the founder shares to cover certain offering costs and the loan under an unsecured promissory note from the Old Sponsor of \$142,350, which was paid in full on January 27, 2022 (see Note 5). After the consummation of the IPO, cash of \$2,494,203 in excess of the funds deposited in the Trust Account and/or used to fund offering expenses was released to the Company for general working capital purposes.

The Company did not have any cash on hand as of December 31, 2023. Until consummation of its initial Business Combination, the Company will use the funds raised from the New Sponsor as mentioned below for paying existing accounts payable, identifying and evaluating prospective initial Business Combination candidates,

performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the Business Combination.

The Company can raise additional capital through Working Capital Loans (as defined below) from the Sponsor, an affiliate of the Sponsor, certain of the Company's officers and directors, or through loans from third parties. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of its business plan, and reducing overhead expenses. The Company cannot provide assurance that new financing will be available to it on commercially acceptable terms, if at all.

On April 13, 2023, the Company issued the April 2023 Note as described above. The April 2023 Note was terminated on October 4, 2023 and the withdrawal of \$300,000 under the April 2023 Note was forgiven without any further liability of the Company or the Old Sponsor.

On October 25, 2023, the Company issued the October 2023 Note. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. Including the \$428,000 cash transferred from the Company's bank account controlled by the Old Sponsor to the account controlled by the New Sponsor (as mentioned above), the New Sponsor paid \$832,170 in total, on behalf of the Company, for extension and working capital purposes, of which \$610,000 was used for extension deposits and \$222,170 was used for working capital purposes. As of the date hereof, additional \$450,159 has been drawn from the October 2023 Note for working capital purposes.

If a Business Combination is not consummated by the required date and the Company is unable to obtain the funding to further extend the Termination Date, there will be a mandatory liquidation and subsequent dissolution.

In connection with the Company's assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," the Company has until April 27, 2024 (or October 27, 2024 subject to additional extension deposits of \$78,837 each month) to consummate the initial Business Combination. The Company intends to complete the initial Business Combination before the mandatory liquidation date. However, there can be no assurance that the Company will be able to consummate any business combination by April 27, 2024 (or October 27, 2024 subject to additional extension deposits of \$78,837 each month). Management has determined that the mandatory liquidation, should a business combination not occur, and potential subsequent dissolution, raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The accompanying financial statements have been prepared in conformity with GAAP, which contemplate continuation of the Company as a going concern.

Risks and Uncertainties

Management is currently evaluating the impact of the Israel-Hamas conflict and the Russia-Ukraine war and has concluded that while it is reasonably possible that the war could have a negative effect on the Company's financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

Emerging Growth Company Status

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from 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 its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. One of the more significant accounting estimates included in these financial statements is the determination of the fair value of the warrant liabilities. Such estimates may be subject to change as more current information becomes available and accordingly, the actual results could differ significantly from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of \$250,000. The Company has not experienced losses on this account.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2023 and 2022. The Company held cash of \$0 and \$1,103,214 as of December 31, 2023 and 2022, respectively.

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont.)

Cash and Marketable Securities Held in Trust Account

At December 31, 2023 and 2022, the Company held \$43,605,597 and \$134,512,063, respectively, in the Trust Account. On November 6, 2023, pursuant to the Trust Agreement (as amended on October 25, 2023), the Company instructed Continental Stock Transfer & Trust Company to hold all funds in the Trust Account uninvested in an interest — bearing bank deposit account. As of December 31, 2023, all funds in the Trust Account are held in cash. As of December 31, 2022, the amounts held in Trust Account consisted entirely of funds which invest only in cash and U.S. Treasury securities. All of the Company's investments held in the Trust Account are classified as trading securities. Trading securities are presented on the balance sheets at fair value at the end of each reporting period. Dividend income from securities in the Trust Account is included in interest earned on marketable securities held in Trust Account in the accompanying statements of operations. The estimated fair values of investments held in Trust Account are determined using available market information.

Warrant Liabilities

The Company assessed its warrants under ASC 480-25, "Distinguishing liabilities from equity" and

ASC 815-40 “Derivatives and Hedging — Contracts in Entity’s Own Equity”. The Company accounts for the Public Warrants and Private Placement Warrants (collectively, the “Warrants”) as derivative liabilities. A provision in the Warrant Agreement related to certain tender or exchange offers precludes the Warrants from being accounted for as components of equity. As the Warrants meet the definition of a derivative as contemplated in ASC 815 “Derivatives and Hedging” (“ASC 815”), the Company accounts for Warrants for the Company’s ordinary shares that are not indexed to its own stock as derivative liabilities at fair value on the balance sheets and measured at fair value at inception (on the date of the IPO) and at each reporting date in accordance with ASC 820, with changes in fair value recognized in the statements of operations in the period of change.

Fair Value of Financial Instruments

The fair value of the Company’s assets and liabilities, which qualify as financial instruments under FASB ASC 820, “Fair Value Measurements and Disclosures,” approximates the carrying amounts represented in the balance sheets, primarily due to its short-term nature.

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The Company’s financial instruments are classified as either Level 1, Level 2 or Level 3. These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some cases, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the investment is categorized in its entirety is determined based on the lowest level input that is significant to the investment. Assessing the significance of a particular input to

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont.)

the valuation of an investment in its entirety requires judgement and considers factors specific to the investment. The categorization of an investment within the hierarchy is based on the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment.

See Note 8 for additional information on assets and liabilities measured at fair value.

Derivative Financial Instruments and Warrant and Over-allotment Liability

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 815-15. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity and measurement of fair value is re-assessed at the end of each reporting period. In accordance with ASC 825-10 “Financial Instruments”, offering costs attributable to the issuance of the derivative warrant liabilities and over-allotment option have been allocated based on their relative fair value of total proceeds and are recognized in the statements of operations as incurred. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or the creation of current liabilities.

The Company accounts for warrants and over-allotment as either equity-classified or liability-classified instruments based on an assessment of the warrant and over-allotment option’s specific terms and applicable

authoritative guidance in Financial Accounting Standards Board Accounting Standards Codification 480, Distinguishing Liabilities from Equity and ASC 815, Derivatives and Hedging. The assessment considers whether the warrants and over-allotment option are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants and over-allotment option meet all of the requirements for equity classification under ASC 815, including whether the warrants and over-allotment option are indexed to the Company's own ordinary shares, among other conditions for equity classification. This assessment is conducted at the time of warrant and over-allotment option issuance and as of each subsequent quarterly period end date while the warrants and over-allotment option are outstanding.

For warrants and over-allotment option that meet all of the criteria for equity classification, they are recorded as a component of additional paid-in capital at the time of issuance. For warrants and over-allotment that do not meet all the criteria for equity classification, they are required to be recorded as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants and over-allotment option are recognized as a non-cash gain or loss on the statements of operations.

The Company accounted for the Public Warrants (see Note 3), Private Placement Warrants (see Note 4) and over-allotment option (Note 6) in accordance with the guidance contained in ASC 815-40. The Warrants and over-allotment are not considered indexed to the Company's own ordinary shares, and as such, they do not meet the criteria for equity treatment and are recorded as liabilities.

Income Taxes

The Company accounts for income taxes under FASB ASC 740, "Income Taxes" ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of December 31, 2023 and 2022. The Company's management determined that the Cayman Islands is the Company's only major tax jurisdiction. The Company recognizes accrued interest and

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont.)

penalties related to unrecognized tax benefits as income tax expense. As of December 31, 2023 and 2022, there were no unrecognized tax benefits and no amounts were accrued for the payment of interest and penalties. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with Cayman income tax regulations, income taxes are not levied on the Company. Consequently, income taxes are not reflected in the Company's financial statements.

Net Income (Loss) Per Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." The Company has two classes of ordinary shares, which are referred to as Class A and Class B. Income and losses are shared pro rata between the two classes of shares. Net income (loss) per ordinary share is calculated by dividing the net income (loss) by the weighted average number of ordinary shares outstanding for the respective period. The Company did not consider the effect of the warrants issued in connection with the IPO and the private placement in the calculation of diluted income (loss) per ordinary share because their exercise is contingent upon future events. As a result, diluted net income (loss) per ordinary share is the same as basic net income (loss) per ordinary share. Remeasurement associated with the redeemable Class A ordinary shares is excluded from income (loss) per ordinary share as the redemption value approximates fair value.

At December 31, 2023 and 2022, we did not have any dilutive securities and other contracts that could, potentially, be exercised or converted into ordinary shares and then share in our earnings. As a result, diluted

income per share is the same as basic income per share for the period presented.

The table below presents a reconciliation of the numerator and denominator used to compute basic and diluted net income (loss) per share for each class of ordinary shares:

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Non-redeemable		Non-redeemable	
	Redeemable Class A	Class A and Class B	Redeemable Class A	Class A and Class B
Basic and diluted net income per share:				
Numerator:				
Allocation of net income	\$ 297,384	\$ 128,528	\$ 7,742,753	\$ 2,089,858
Denominator:				
Weighted average shares outstanding	7,519,729	3,250,000	12,040,984	3,250,000
Basic and diluted net income per share	\$ 0.04	\$ 0.04	\$ 0.64	\$ 0.64

Offering Costs associated with the IPO

The Company complies with the requirements of ASC 340-10-S99-1, SEC Staff Accounting bulletin Topic 5A — “Expenses of Offering”, and SEC Staff Accounting bulletin Topic 5T — “Accounting for Expenses or Liabilities Paid by Principal Stockholder(s)”. Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to the IPO. Offering costs directly attributable to the issuance of an equity contract to be classified in temporary equity are recorded as a reduction of equity. Offering costs for equity contracts that are classified as assets and liabilities are expensed immediately. The Company incurred offering costs amounting to \$7,647,620 as a result of the IPO (consisting of \$2,600,000 of underwriting fees, \$4,550,000 of deferred underwriting fees, and \$497,620 of other offering costs). The Company recorded \$7,312,390 of offering costs as a

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont.)

reduction of temporary equity in connection with the Class A ordinary shares included in the Units. The Company immediately expensed \$335,230 of offering costs in connection with the Public Warrants, Private Placement Warrants and over-allotment option that were classified as liabilities.

Class A Shares Subject to Possible Redemption

The Company accounts for its Class A ordinary shares subject to possible redemption in accordance with the guidance in ASC 480. Ordinary shares subject to mandatory redemption are classified as a liability instrument and are measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, ordinary shares are classified as shareholders’ deficit. The Company’s Class A ordinary shares feature certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, Class A ordinary shares subject to possible redemption is presented as temporary equity, outside of the shareholders’ deficit section of the Company’s balance sheets.

At December 31, 2023 and 2022, Class A ordinary shares subject to possible redemption are presented at redemption value as temporary equity, outside of the shareholders’ deficit section of the Company’s balance sheets. On April 13, 2023, in connection with First Extension Amendment Proposal, holders of 7,399,517 shares of Class A ordinary shares exercised the right to redeem such shares for a payment of approximately \$77.5 million or approximately \$10.47 per share. On October 25, 2023, in connection with the Second Extension Amendment Proposal, holders of the holders of 1,658,610 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.94 per share, for an aggregate redemption amount of approximately \$18.1 million, leaving approximately \$43.0 million in the Trust Account.

As of December 31, 2023 and 2022, the amount of Class A ordinary shares reflected on the balance sheets are reconciled in the following table:

Gross proceeds from IPO	\$ 130,000,000
Less:	
Fair value of proceeds allocated to Public Warrants	(4,940,000)
Fair value of proceeds allocated to overallotment liability	(390,000)
Class A ordinary shares issuance cost	(7,312,390)
Plus:	
Remeasurement of Class A ordinary shares subject to possible redemption at initial public offering	17,154,453
Class A ordinary shares subject to possible redemption as of December 31, 2022	134,512,063
Less:	
Partial Redemption	(95,617,197)
Plus:	
Remeasurement of Class A ordinary shares subject to possible redemption	4,710,731
Class A ordinary shares subject to possible redemption as of December 31, 2023	\$ 43,605,597

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09), which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company's management does not believe the adoption of ASU 2023-09 will have a material impact on its financial statements and disclosures.

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (cont.)

The Company's management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying financial statements.

NOTE 3 — INITIAL PUBLIC OFFERING

On January 27, 2022, the Company consummated its IPO of 13,000,000 Units at \$10.00 per Unit, generating gross proceeds of \$130,000,000. Each Unit consists of one Class A ordinary share and one-half of one redeemable warrant. Each whole Public Warrant entitles the holder to purchase one Class A ordinary share at an exercise price of \$11.50 per whole share. The Public Warrants will become exercisable 30 days after the completion of the initial Business Combination and expire five years after the completion of the initial Business Combination or earlier upon redemption or liquidation.

NOTE 4 — PRIVATE PLACEMENT

Simultaneously with the closing of the IPO, the Sponsor purchased an aggregate of 7,900,000 warrants at a price of \$1.00 per warrant, for an aggregate purchase price of \$7,900,000.

The Private Placement Warrants are identical to the warrants sold in the IPO except that the Private Placement Warrants, so long as they are held by the Sponsor or its permitted transferees, (i) will not be redeemable by the Company, (ii) may not (including the Class A ordinary shares issuable upon exercise of these Private Placement Warrants), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of the Company's initial Business Combination, (iii) may be exercised by the holders on a cashless basis and (iv) will be entitled to registration rights.

If the Private Placement Warrants are held by holders other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company in all redemption scenarios and exercisable by

the holders on the same basis as the warrants included in the units being sold in the IPO.

NOTE 5 — RELATED PARTY TRANSACTIONS

Founder Shares

On June 2, 2021, the Old Sponsor paid \$25,000, or approximately \$0.007 per share, to cover certain offering costs in consideration for 3,737,500 Class B ordinary shares, par value \$0.0001. Up to 487,500 founder shares were subject to forfeiture by the Old Sponsor depending on the extent to which the underwriters' over-allotment option is exercised. In March 2022, the Old Sponsor effected a surrender of the 487,500 founder shares to the Company for no consideration upon expiration of the over-allotment option. Pursuant to the Sponsor Sale as described above, the New Sponsor acquired 2,650,000 Class B ordinary shares, and on November 16, 2023, 1,058,127 Class B ordinary shares held by the New Sponsor were converted into the same number of Class A ordinary shares. As of December 31, 2023, there were 2,191,873 Class B ordinary shares of the Company, issued and outstanding.

The holders of the Company's founder shares have agreed not to transfer, assign or sell any of their founder shares and any Class A ordinary shares issuable upon conversion thereof until the earlier to occur of: (i) one year after the completion of the initial Business Combination or (ii) the date on which the Company completes a liquidation, merger, share exchange or other similar transaction after the initial Business Combination that results in all of the shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property. Any permitted transferees will be subject to the same restrictions and other agreements of the holders of the Class B ordinary shares with respect to any founder shares (Lock-up). Notwithstanding the foregoing, if (1) the closing price of the Class A ordinary shares equals or exceeds \$12.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination or (2) the Company consummates a transaction after the initial Business Combination which results in the shareholders having the right to exchange their shares for cash, securities or other property, the founder shares will be released from the lock-up.

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 5 — RELATED PARTY TRANSACTIONS (cont.)

The sale or allocation of the founders shares to the Company's director nominees and affiliates of its Sponsor group, as described above, is within the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The fair value of the 22,000 shares transferred to the Company's consultants on April 1, 2022 was \$101,640 or \$4.62 per share. The founder shares were effectively sold subject to a performance condition (i.e., the occurrence of a Business Combination). Compensation expense related to the founder shares is recognized only when the performance condition is probable of occurrence under the applicable accounting literature in this circumstance. Stock-based compensation would be recognized at the date a Business Combination is considered probable in an amount equal to the number of founders shares times the grant date fair value per share (unless subsequently modified) less the amount initially received for the purchase of the founder shares. As of December 31, 2023, the Company determined that a Business Combination is not considered probable, and, therefore, no stock-based compensation expense has been recognized.

Promissory Note — Related Party

On June 2, 2021, the Old Sponsor agreed to loan the Company up to \$300,000 to be used for a portion of the expenses of the IPO. These loans were non-interest bearing, unsecured and are due at the earlier of June 15, 2022 or the closing of the IPO. At the IPO date, the Company paid \$142,350 to the Old Sponsor in full repayment of the promissory note. As of December 31, 2023 and 2022, the Company had no outstanding balance under the promissory note, respectively.

On April 13, 2023, the Company issued a non — interest bearing non — convertible unsecured promissory note to the Old Sponsor for a principal amount of up to \$1,050,000 to fund the contributions to the Company's Trust Account in connection with the First Extension Amendment and the First Trust Amendment. On each of April 27, 2023 and May 30, 2023, the Old Sponsor deposited \$150,000 into the Trust Account, for an aggregated of \$300,000. The April 2023 Note was terminated on October 4, 2023 and all amounts outstanding under the April 2023 Note are forgiven without any further liability of the Company or the Old Sponsor. The amounts forgiven are booked as a capital transaction at October 4, 2023.

On October 25, 2023, the Company issued the October 2023 Note to the New Sponsor for a principal amount of up to \$1,960,000 to fund the Extension Contributions in connection with the Second Extension Amendment and working capital. As of December 31, 2023, the total outstanding under the October 2023 Note was \$404,170. Including the \$428,000 cash transferred from the Company's bank account controlled by the Old Sponsor to the account controlled by the New Sponsor (as mentioned above), the New Sponsor paid \$832,170 in total, on behalf of the Company, for extension and working capital purposes, of which \$610,000 was used for extension deposits and \$222,170 was used for working capital purposes. As of the date hereof, additional \$450,159 has been drawn from the October 2023 Note for working capital purposes.

Working Capital Loans

In order to finance transaction costs in connection with an intended initial Business Combination, the Sponsor or an affiliate of the Sponsor or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes its initial Business Combination, the Company would repay the Working Capital Loans. In the event that the initial Business Combination does not close, the Company may use a portion of the working capital held outside the Trust Account to repay the Working Capital Loans but no proceeds from the Trust Account would be used to repay the Working Capital Loans. Up to \$1,500,000 of the Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.00 per warrant at the option of the lender. The terms of such warrants would be identical to those of the Private Placement Warrants. As of December 31, 2023 and 2022, the Company had no borrowings under the Working Capital Loans.

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 6 — COMMITMENTS & CONTINGENCIES

Registration and Shareholder Rights

The holders of the (i) founder shares, (ii) Private Placement Warrants, which were issued in a private placement simultaneously with the closing of the IPO and the Class A ordinary shares underlying such Private Placement Warrants and (iii) warrants that may be issued upon conversion of Working Capital Loans have registration rights to require the Company to use its best efforts to register a sale of any of its securities held by them pursuant to a registration rights agreement dated January 24, 2022. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company registers such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the Company's completion of the initial Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Legal Fee Arrangement

Pursuant to the SPA, in respect of the legal expenses of Shearman & Sterling LLP ("Shearman"), the Company's legal counsel prior to the Sponsor Sale, owed by the Company, the Company will pay Shearman in connection with the closing of the initial Business Combination of the Company together with the payment of other transaction expenses and fees pursuant to the funds flow for such Business Combination, an amount equal to \$350,000 in immediately available funds to such account as may be provided by Shearman in advance in writing. In addition, the Old Sponsor shall reserve 15,000 Class B ordinary shares in respect of its obligation to Shearman and, promptly following the first date that such shares can be sold, the Old Sponsor will sell those shares and send the proceeds in immediately available funds to such account as may be provided by Shearman in advance in writing. In the event of liquidation of the Company prior to the completion of its initial Business Combination, the Company will pay Shearman \$250,000 on or prior to such liquidation date in immediately available funds to such account as may be provided by Shearman in advance in writing. The Old Sponsor represents, warrants and agrees that the foregoing description of the payment of legal expenses constitute full and final settlement of such fees, and there is no other Liability (as defined in the SPA) of the Company in respect of the legal expenses of Shearman other than as so described. The Old Sponsor, the New Sponsor and the Company agree that Shearman shall be an express third party beneficiary of the terms of the legal fee arrangement under the SPA.

Underwriting Agreement

The Company granted the underwriters of the IPO a 45-day option from the date of the IPO to purchase up to an additional 1,950,000 Units to cover over-allotments, which expired unexercised on March 10, 2022.

The underwriters received a cash underwriting discount of two percent (2%) of the gross proceeds of

the IPO, or \$2,600,000. Additionally, the underwriters will be entitled to a deferred underwriting discount of 3.5% of the gross proceeds of the IPO, or \$4,550,000, upon the completion of the Company's initial Business Combination.

On September 8, 2023, BofA delivered a letter to the Company to waive its entitlement to the payment of \$2,275,000 deferred underwriting fee to be paid under the terms of the Underwriting Agreement. On September 19, 2023, BTG Pactual delivered a letter to the Company to waive its entitlement to the payment of \$2,275,000 deferring underwriting fee with respect to the Business Combination. As a result, the Company recorded a reduction of the deferred underwriting payable of \$4,550,000, with \$186,550 to other income and \$4,363,450 to accumulated deficit.

Forward Purchase Agreement

An affiliate of the Old Sponsor (the "Sponsor Affiliate") entered into a forward purchase agreement with the Company in connection with the IPO that provides for the purchase by the Sponsor Affiliate of an aggregate of up to 4,000,000 Units for an aggregate purchase price of up to \$40,000,000, in a private placement that will close simultaneously with the closing of the Company's initial Business Combination. The proceeds from the sale of these forward purchase units, together with the amounts available to the Company from the Trust Account (after giving effect to any redemptions of Public Shares) and any other equity or debt financing obtained by the Company in connection

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CHENGHE ACQUISITION I CO. NOTES TO FINANCIAL STATEMENTS

NOTE 6 — COMMITMENTS & CONTINGENCIES (cont.)

with the Business Combination, will be used to satisfy the cash requirements of the Business Combination, including funding the purchase price and paying expenses and retaining specified amounts to be used by the post-business combination company for working capital or other purposes. To the extent that the amounts available from the Trust Account and other financing are sufficient for such cash requirements, the Sponsor Affiliate may purchase less than 4,000,000 forward purchase units. In addition, the Sponsor Affiliate's commitment under the forward purchase agreement will be subject to the Sponsor Affiliate's completing the raising of a new fund, approval of its investment committee as well as customary closing conditions under the forward purchase agreement.

The forward purchase shares are identical to the Class A ordinary shares included in the Units sold in the IPO, except that pursuant to the forward purchase agreement, they are not transferable, assignable or salable until 30 days after the completion of our initial Business Combination, subject to limited exceptions. The forward purchase warrants have the same terms as the private placement warrants.

Business Combination Marketing Agreement

On February 9, 2023, the Company entered into a business combination marketing agreement (the "**EBC BCMA**") with EarlyBirdCapital, Inc. ("**EBC**") for EBC's assistance in connection with a potential Business Combination with a cash fee equal to \$2,000,000 contingent upon closing of the Business Combination. If a proposed Business Combination is not consummated for any reason, no fee is due unless the Company receives a termination payment established in the definitive written agreement with the target company in the Business Combination, in which case, EBC will be entitled to 1/3 of the termination payment up to a maximum of \$1,000,000. As prescribed by the BCMA, in the Company's own discretion, it may engage EBC as non — exclusive placement agent for the Company, on a "best efforts" basis, in connection with a private placement of shares of common stock and/or convertible debt or preferred stock, the structuring of a collateralized equity transaction, or the arrangement of an equity line of credit of the Company in connection with the Business Combination, for a placement agent's fee of (for equity and equity equivalents) 3.5% and (for debt and convertible securities) 2.0% of the capital raised by investors contracts by EBC, payable at the closing of the Business Combination.

On October 2, 2023, the Old Sponsor entered into a letter agreement with EBC (the "**EBC Letter Agreement**"), under which, the Old Sponsor agreed to (i) transfer, at no consideration, to EBC 25,000 Class B ordinary shares of the Company held by the Old Sponsor at the closing of the Business Combination. If the Old Sponsor is required to forfeit Class B ordinary shares to the Company that it's retaining pursuant to the SPA so that the total number of Class B ordinary shares becomes less than 500,000, EBC will forfeit a pro rata number of Class B ordinary shares with the Old Sponsor's reduction below 500,000 such that the Class B ordinary shares held by EBC will then represent 5% of the total Class B ordinary shares held by the Old Sponsor and EBC;

(ii) transfer to EBC an aggregate of 26.7% of any consideration it receives as a result of certain “tail” arrangement it has with a third party as a result of a proposed transaction; and (iii) pay to EBC an aggregate of \$5,000 to reimburse EBC for expenses incurred by it for the services rendered to the Company and the Old Sponsor.

The 25,000 Class B ordinary shares that the Old Sponsor agreed to transfer to EBC (subject to forfeiture) were valued at \$1.09 per share or an aggregate of \$27,336 as at October 2, 2023, based on a Monte Carlo Model simulation valuation of the Class B ordinary shares. The amount will be recorded as Compensation Expense at the close of a Business Combination. The estimated fair value of the forfeiture provision on October 2, 2023, the date of the EBC Letter Agreement, was immaterial.

On October 2, 2023, in connection with the Sponsor Sale (see Note 1), EBC issued a waiver letter (“**EBC Waiver Letter**”) to the Company, pursuant to which, the EBC BCMA is terminated. Under the EBC Waiver Letter, the Company agreed that such Class B ordinary shares to be transferred by the Old Sponsor to EBC under the EBC Letter Agreement will have the same registration rights as the other Class B ordinary shares held by the Old Sponsor.

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 — SHAREHOLDERS’ DEFICIT

Preference shares — The Company is authorized to issue 1,000,000 preference shares with a par value of \$0.0001 and with such designations, voting and other rights and preferences as may be determined from time to time by the Company’s board of directors. At December 31, 2023 and 2022, there were no shares of preference shares issued or outstanding.

Class A ordinary shares — The Company is authorized to issue 200,000,000 Class A ordinary shares with a par value of \$0.0001 per share. At December 31, 2023 and 2022, 1,058,127 and 0 shares of Class A ordinary shares issued or outstanding (excluding 3,941,873 and 13,000,000 shares subject to possible redemption), respectively.

Class B ordinary shares — The Company is authorized to issue 20,000,000 Class B ordinary shares with a par value of \$0.0001 per share. Holders are entitled to one vote for each share of Class B ordinary shares. At December 31, 2023 and 2022, there were 2,191,873 and 3,250,000 Class B ordinary shares issued and outstanding, respectively.

Holders of Class A ordinary shares and holders of Class B ordinary shares will vote together as a single class on all matters submitted to a vote of the shareholders except as required by law or the MAA. Unless specified in the Company’s MAA, or as required by applicable provisions of the Companies Act or applicable stock exchange rules, the affirmative vote of a majority of the Company’s ordinary shares that are voted is required to approve any such matter voted on by its shareholders.

The Class B ordinary shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of the initial Business Combination on a one-for-one basis, subject to adjustment for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional Class A ordinary shares or equity-linked securities are issued or deemed issued in connection with the initial Business Combination, the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect to any redemptions of Class A ordinary shares by public shareholders), including the total number of Class A ordinary shares issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor, officers or directors upon conversion of Working Capital Loans; provided that such conversion of founder shares will never occur on a less than one-for-one basis.

On April 13, 2023, at the First Extraordinary General Meeting, the shareholders approved, among others, the proposal to amend the Company’s MAA to provide for the right of a holder of the Company’s Class B ordinary shares to convert into Class A ordinary shares on a one-for-one basis prior to the closing of a Business Combination at the election of the holder.

On November 8, 2023, the New Sponsor notified the Company that it elected to convert 1,058,127 Class B ordinary shares held by itself to the same number of Class A ordinary shares, pursuant to the Founder Share

Amendment Proposal. On November 16, 2023, 1,058,127 Class B ordinary shares held by the New Sponsor were converted into the same number of Class A ordinary shares. As of December 31, 2023, there were 5,000,000 Class A ordinary shares (3,941,873 shares are subject to possible redemption) and 2,191,873 Class B ordinary shares of the Company, issued and outstanding.

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 — FAIR VALUE MEASUREMENTS

The following table presents information about the Company's liabilities that are measured at fair value on December 31, 2023 and 2022 and indicates the Level 3 fair value hierarchy of the valuation inputs the Company utilized to determine such fair value.

	December 31, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Warrant liabilities – Public Warrants	\$ 65,000	\$ 65,000	\$ —	\$ —
Warrant liabilities – Private Placement Warrants	79,000	—	—	79,000
	<u>\$ 144,000</u>	<u>\$ 65,000</u>	<u>\$ —</u>	<u>\$ 79,000</u>
	December 31, 2022	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Warrant liabilities – Public Warrants	\$ 780,000	\$ 780,000	\$ —	\$ —
Warrant liabilities – Private Placement Warrants	948,000	—	948,000	—
	<u>\$ 1,728,000</u>	<u>\$ 780,000</u>	<u>\$ 948,000</u>	<u>\$ —</u>

The Public Warrants and the Private Placement Warrants are accounted for as liabilities in accordance with ASC 815-40 and are presented within liabilities on the balance sheets. The warrant liabilities were measured at fair value at inception and remeasured on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the statements of operations.

The overallotment option was accounted for as a liability in accordance with ASC 815-40 and was presented within liabilities on the balance sheets from January 27, 2022 up to its expiration on March 10, 2022. The overallotment liability was measured at fair value at inception. The expiration of the overallotment resulted in a gain of \$390,000 which is presented within gain on expiration of overallotment option in the statements of operations.

The Company used a Binomial Option Pricing Model to value the Private Placement Warrants and a Black-Scholes model to value the overallotment option at the initial measurement date. The Company allocated the proceeds received from (i) the sale of Units (which is inclusive of one share of Class A ordinary shares and one-half of one Public Warrant), first to the warrants and overallotment option based on their fair values as determined at initial measurement, with the remaining proceeds allocated to Class A ordinary shares subject to possible redemption (temporary equity) based on their fair values at the initial measurement date. The Public Warrants, the Private Placement Warrants and overallotment option were classified within Level 3 of the fair value hierarchy at the initial measurement dates due to the use of unobservable inputs. Inherent in pricing models are assumptions related to expected share-price volatility, expected life and risk-free interest rate. The Company estimates the volatility of its ordinary shares based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term.

At December 31, 2023, the Company used the quoted price on Over-the-Counter Market (the “OTC”) to establish the fair value of the Public Warrants. At December 31, 2022, the Company used the quoted price on Nasdaq to establish the fair value of the Public Warrants and transferred the Public Warrants from Level 3 to Level 1 due to the use of observable inputs.

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**CHENGHE ACQUISITION I CO.
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 — FAIR VALUE MEASUREMENTS (cont.)

The Private Placement Warrants were transferred to a Level 2 from a Level 3 during the year ended December 31, 2022, due to the use of an observable market quote for a similar asset in an active market. At December 31, 2022 the Company’s Public Warrant price was used to value the Private Warrants. The Private Placement Warrants changed from Level 2 at March 31, 2023 to Level 3 at December 31, 2023 as a result of the lack of an observable market quote of the Public Warrants on that day. At December 31, 2023 a Monte Carlo simulation methodology was used in estimating the fair value of the Private Placement Warrants. The key inputs for Monte Carlo simulation for the Private Placement Warrants as of December 31, 2023 were as follows:

Input	December 31, 2023
Public Warrant Price	\$ 0.01
Risk-free interest rate	4.64%
Expected term (years)	1.26
Expected volatility	de minimis
Stock price	\$ 11.03
Exercise price	\$ 11.50

NOTE 9 — SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, other than below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

As of the date hereof, additional \$450,159 has been drawn from the October 2023 Note for working capital purposes.

On each of February 2, 2024, March 4, 2024 and April 2, 2024, \$78,837 was deposited as Extension Contribution into the Trust Account by FST pursuant to the Business Combination Agreement, extending the Termination Date to April 27, 2024.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Femco Steel Technology Co., Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Femco Steel Technology Co., Ltd. (the “Company”) and its subsidiaries (the “Group”) as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive (loss) income, changes in shareholders’ equity, and cash flows for the year ended December 31, 2023 and 2022, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and 2022, and the results of its operations and its cash flows for year ended December 31, 2023 and 2022, in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis for Opinion

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Enrome LLP

We have served as the Group's auditor since 2023.

Singapore,
April 01, 2024

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FEMCO STEEL TECHNOLOGY CO., LTD.
CONSOLIDATED BALANCE SHEETS
(In U.S. dollars, except for share and per share data, or otherwise noted)

	As of December 31,	
	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	8,904,618	20,740,375
Restricted cash	401,110	81,537
Accounts and notes receivable, net	4,731,658	6,305,363
Inventories, net	15,205,624	8,651,815
Amounts due from related parties	14,132	107,647
Prepaid expenses and other current assets	1,784,363	815,621
Total current assets	31,041,505	36,702,358
Non-current assets		
Property, plant and equipment, net	18,195,534	7,213,472
Intangible assets, net	5,331,343	5,642,742
Long-term investment	195,555	667,527
Right-of-use assets	6,938,482	7,657,718
Deferred tax assets	1,012,780	883,750
Prepayment and other non-current assets	593,473	1,215,966
Total non-current assets	32,267,167	23,281,175
Total assets	63,308,672	59,983,533
LIABILITIES		

Current liabilities

Short-term bank loans	14,236,270	7,452,599
Accounts payable	1,216,287	1,682,828
Lease liabilities	2,172,368	2,172,891
Amounts due to related parties	275,467	244,238
Income taxes payable	301,595	2,890,525
Accrued expenses and other current liabilities	3,161,258	5,354,140
Total current liabilities	21,363,245	19,797,221

Non-current liabilities

Long-term bank loan	8,597,848	1,363,760
Lease liabilities	5,255,281	5,820,362
Deferred tax liability	663,411	580,692
Defined benefit plan liability, net	4,822	—
Total non-current liabilities	14,521,362	7,764,814
Total liabilities	35,884,607	27,562,035

COMMITMENTS AND CONTINGENCIES (Note 16)**SHAREHOLDERS' EQUITY**

Ordinary share, \$0.33 par value, 100,000,000 shares authorized, 54,554,395 and 41,964,919 shares issued and outstanding, respectively, as of December 31, 2023 and 2022	17,951,198	13,994,732
Additional paid in capital	4,443,095	4,443,095
Statutory reserves	3,153,779	3,112,915
Retained earnings	3,088,166	12,056,304
Accumulated other comprehensive loss	(1,212,173)	(1,185,548)
Total shareholders' equity	27,424,065	32,421,498
Total liabilities and shareholders' equity	63,308,672	59,983,533

The accompanying notes are an integral part of these consolidated financial statements.

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FEMCO STEEL TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(In U.S. dollars, except for share and per share data, or otherwise noted)

	For the Years Ended December 31,	
	2023	2022
Revenue	28,730,549	49,779,465
Cost of sales	15,287,532	23,207,116
Gross profit	13,443,017	26,572,349
COSTS AND OPERATING EXPENSES:		
Selling expenses	9,194,267	8,548,084
General and administrative expenses	5,279,397	6,214,238
Research and development expenses	1,529,690	1,507,927
Total costs and operating expenses	16,003,354	16,270,249

(LOSS) PROFIT FROM OPERATIONS	(2,560,337)	10,302,100
OTHER INCOME (EXPENSE)		
Interest expense, net	(14,703)	(52,695)
Foreign exchange gain	44,362	1,622,167
Government subsidy income	—	4,315
Other income	637,830	594,549
Impairment loss on long-term investment	(466,262)	—
Total other income, net	201,227	2,168,336
(LOSS) PROFIT BEFORE INCOME TAX EXPENSES	(2,359,110)	12,470,436
INCOME TAX (BENEFITS) EXPENSES	(123,151)	3,094,759
NET (LOSS) INCOME	(2,235,959)	9,375,677
OTHER COMPREHENSIVE (LOSS) INCOME		
Foreign currency translation adjustment	(26,625)	(1,653,615)
TOTAL COMPREHENSIVE (LOSS) INCOME	(2,262,584)	7,722,062
Weighted average number of shares outstanding, basic and diluted	46,207,400	41,964,919
Earnings per share, basic and diluted	(0.05)	0.22

The accompanying notes are an integral part of these consolidated financial statements.

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FEMCO STEEL TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In U.S. dollars, except for share and per share data, or otherwise noted)

	Ordinary Shares		Additional paid-in capital	Statutory reserves	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Shares*	Amount					
Balance as of December 31, 2021	41,964,919	\$ 13,994,732	\$ 4,443,095	\$ 2,392,989	\$ 3,685,457	\$ 468,067	\$ 24,984,340
Appropriation to statutory reserves	—	—	—	719,926	(719,926)	—	—
Net income	—	—	—	—	9,375,677	—	9,375,677
Cash dividend distribution	—	—	—	—	(281,679)	—	(281,679)
Remeasurement of defined benefit obligations	—	—	—	—	(3,225)	—	(3,225)
Foreign currency translation adjustment	—	—	—	—	—	(1,653,615)	(1,653,615)
Balance as of December 31, 2022	41,964,919	\$ 13,994,732	\$ 4,443,095	\$ 3,112,915	\$ 12,056,304	\$ (1,185,548)	\$ 32,421,498
Stock dividend distribution	12,589,476	3,956,466	—	—	(3,956,466)	—	—
Appropriation to statutory reserves	—	—	—	40,864	(40,864)	—	—
Net loss	—	—	—	—	(2,235,959)	—	(2,235,959)

Cash dividend distribution	—	—	—	—	(2,715,297)	—	(2,715,297)
Remeasurement of defined benefit obligations	—	—	—	—	(19,552)	—	(19,552)
Foreign currency translation adjustment	—	—	—	—	—	(26,625)	(26,625)
Balance as of December 31, 2023	54,554,395	\$ 17,951,198	\$ 4,443,095	\$ 3,153,779	\$ 3,088,166	\$ (1,212,173)	\$ 27,424,065

The accompanying notes are an integral part of these consolidated financial statements.

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FEMCO STEEL TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. dollars)

	For the Years Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (2,235,959)	\$ 9,375,677
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,815,588	1,543,887
Amortization of right-of-use asset	2,279,490	2,000,450
Change in deferred tax assets, net	(46,311)	(223,019)
Inventory write-downs	192,766	213,319
Investment loss on long-term investment	466,262	—
Allowance for doubtful accounts	1,652	363,248
Reversal of allowance for doubtful accounts	(154,929)	—
Gain from the disposal of property, plant and equipment	—	(21,746)
Remeasurement of defined benefit obligations	(19,552)	(3,225)
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	1,726,982	(1,510,926)
Due from/to related parties	124,744	143,913
Operating lease liabilities	(565,604)	(134,791)
Inventories	(6,746,575)	(2,134,299)
Prepaid expenses and other current assets	(968,742)	(104,473)
Accounts payable	(466,541)	412,302
Income taxes payable	(2,588,930)	2,551,941
Right-of-use asset	(1,560,254)	(1,576,797)
Accrued expenses and other current liabilities	(2,192,882)	2,090,239
Prepayment and other non-current assets	(266,629)	(227,919)
Other non-current liabilities	—	(36,634)
Net cash (unused in) provided by operating activities	(11,205,424)	12,721,148
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(11,585,245)	(2,452,429)
Proceeds from property, plant and equipment	—	27,568

Purchase of intangible assets	(7,062)	(33,692)
Net cash used in investing activities	<u>(11,592,307)</u>	<u>(2,458,553)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from bank borrowings	38,752,418	31,983,022
Repayments of bank borrowings	(24,734,659)	(29,404,105)
Dividend distribution	(2,715,297)	(281,679)
Net cash provided by financing activities	<u>11,302,462</u>	<u>2,297,238</u>

Effect of foreign exchange rate on cash, cash equivalents and restricted cash	(20,915)	(2,342,197)
Net (decrease)/increase in cash and cash equivalents	(11,516,184)	10,217,635
Cash, cash equivalents and restricted cash at the beginning of year	<u>20,821,912</u>	<u>10,604,277</u>
Cash, cash equivalents and restricted cash at the end of year	<u>\$ 9,305,728</u>	<u>\$ 20,821,912</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest expenses paid	\$ 282,484	\$ 155,402
Income taxes paid	\$ 2,564,373	\$ 790,301

SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTION:

Right of use assets obtained in exchange for operating lease obligations	\$ 1,822,488	\$ 1,770,264

The accompanying notes are an integral part of these consolidated financial statements.

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The following table s provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same amounts shown in the cash flows:

	As of December 31,	
	2023	2022
Cash and cash equivalents, beginning of the period	\$ 20,740,375	\$ 10,350,146
Restricted cash, beginning of the period	81,537	254,131
Total cash, cash equivalents and restricted cash, beginning of the period	<u>\$ 20,821,912</u>	<u>\$ 10,604,277</u>
	As of December 31,	
	2023	2022
Cash and cash equivalents, end of the period	\$ 8,904,618	\$ 20,740,375
Restricted cash, end of the period	401,110	81,537
Total cash, cash equivalents and restricted cash, end of the period	<u>\$ 9,305,728</u>	<u>\$ 20,821,912</u>

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Femco Steel Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in developing, producing and selling of golf club shafts and other sports equipment.

The Company was incorporated under the law of Taiwan with limited liability on May 18, 1976.

FST America, Inc., wholly owned by the Company, was incorporated on September 9, 2015 in Colorado, US. It is engaged in sports equipment business.

FST Japan LLC, wholly owned by FST America, Inc., was incorporated on September 16, 2020 in Japan. It is engaged in sports equipment business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and principles of consolidation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). The accompanying consolidated financial statements include the financial statements of the Company and its subsidiaries. All inter-company balances and transactions are eliminated upon consolidation.

(b) Use of estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenue and expenses during the reported periods in the consolidated financial statements and accompanying notes. Significant accounting estimates include, but not limited to, the allowance for receivable, the recoverability of long-lived assets and accounting for deferred income taxes and valuation allowance for deferred tax assets. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and have insignificant risk of changes in value related to changes in interest rates and have original maturities of three months or less when purchased.

(d) Restricted cash

Restricted cash consist of loan guarantee and bank deposits with designated use, which cannot be withdrawn without certain approval or notice.

The restricted cash was \$401,110 and \$81,537 as of December 31, 2023 and 2022, which was loan guarantees.

(e) Accounts receivable

Accounts receivable is stated at the original amount less an allowance for doubtful receivable.

Accounts receivable is recognized in the period when the Group has provided services to its customers and when its right to consideration is unconditional. On January 1, 2018, the Group adopted ASU 2016-13, “Financial Instruments — Credit Losses (Accounting Standards Codification (“ASC”) Topic 326): Measurement on Credit Losses on Financial Instruments”, including certain subsequent amendments, transitional guidance and other interpretive guidance within ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-11, ASU 2020-02 and ASU 2020-03 (collectively, including ASU 2016-13, “ASC 326”). ASC 326 introduces an approach based on expected losses to estimate the allowance for doubtful accounts, which replaces the previous incurred loss impairment model. The

FEMCO STEEL TECHNOLOGY CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In U.S. dollars, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Group’s estimation of allowance for credit losses considers factors such as historical credit loss experience, age of receivable balances, current market conditions, reasonable and supportable forecasts of future economic conditions, as well as an assessment of receivables due from specific identifiable counterparties to determine whether these receivables are considered at risk or uncollectible.

The Group evaluates its accounts receivable for expected credit losses on a regular basis. The Group

maintains an estimated allowance for credit losses to reduce its accounts receivable to the amount that it believes will be collected. The Group considers factors in assessing the collectability of its receivables, such as the age of the amounts due, the customer's payment history, credit-worthiness and other specific circumstances related to the accounts. The Group adjusts the allowance percentage periodically when there are significant differences between estimated bad debts and actual bad debts. If there is strong evidence indicating that the accounts receivable is likely to be unrecoverable, the Group also makes specific allowance in the period in which a loss is determined to be probable. Accounts receivable balances are written off after all collection efforts have been exhausted.

The Group recognized allowance for doubtful accounts of \$1,652 and \$363,248, respectively, for the years ended December 31, 2023 and 2022.

(f) Prepayment and other assets

Prepayment and other assets represent amounts that the Group has paid in advance of receiving benefits or services. Prepayment and other assets include amounts for prepayments to suppliers, prepaid expenses and prepayment for equipment and are recognized as an expense over the general contractual period.

(g) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence, such as a family member or relative, shareholder or a related corporation.

(h) Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of raw materials is determined on the basis of standard costing. The cost of finished goods is determined on the basis of standard costing and comprises direct materials, direct labor cost and an appropriate proportion of overhead.

Net realizable value is based on estimated selling prices less selling expenses and any further costs of completion. Adjustments to reduce the cost of inventory to net realizable value are made, if required, for estimated excess, obsolescence, or impaired balances. Write-downs are recorded in the consolidated and combined statements of operations and comprehensive income.

(i) Property, plant and equipment, net

Property, plant and equipment, net is stated at cost less accumulated depreciation and impairment, if any, and depreciated on a straight-line basis over the estimated useful lives of the assets. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its intended use. Estimated useful lives are as follows:

Category	Estimated useful lives
Property and buildings	3 – 40 years
Machinery	1 – 15 years
Operating equipment	3 – 7 years
Office and other equipment	2 – 25 years
Leasehold improvements	1 – 20 years

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FEMCO STEEL TECHNOLOGY CO., LTD.
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Repair and maintenance costs are charged to expenses as incurred, whereas the cost of renewals and betterment that extends the useful lives of property, plant and equipment are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the costs, accumulated depreciation and impairment with any resulting gain or loss recognized in the consolidated statements of operations and comprehensive income.

Construction in progress represents property, plant and equipment under construction and pending

installation and is stated at cost less accumulated impairment losses, if any. Completed assets are transferred to their respective asset classes and depreciation begins when an asset is ready for its intended use. Interest expense on outstanding debt is capitalized during the period of significant capital asset construction. Capitalized interest expense on construction in progress is included within property, plant and equipment and is amortized over the life of the related assets.

(j) Intangible assets, net

Intangible assets are carried at cost less accumulated amortization and any recorded impairment. Intangible assets are amortized using the straight-line approach over the estimated economic useful lives of the assets as follows:

Category	Estimated useful lives
Trade mark	25 years
Software	2 – 10 years

(k) Long-term investment

The Group carries equity investment without readily determinable fair values at cost and recognizes income as any dividends declared from distribution of investee's earnings.

The Group reviews the equity investment without readily determinable fair values for impairment whenever events or changes in circumstances indicate that the carrying value may no longer be recoverable. An impairment loss is recognized in earnings equal to the difference between the investment's carrying amount and its fair value at the balance sheet date of the reporting period for which the assessment is made. All equity investments, except those accounted for under the equity method of accounting or those resulting in the consolidation of the investee, be accounted for at fair value with all fair value changes recognized in income. For equity investments that do not have readily determinable fair values the Group measures the equity investment at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the Group in accordance with ASC topic 321, Investments — Equity Securities.

(l) Operating leases

The Group early adopted the ASC 842 as of January 1, 2020 using the cumulative effect adjustment approach.

The adoption of Topic 842 resulted in the presentation of operating lease right-of-use ("ROU") assets and operating lease liabilities on the consolidated balance sheet. The Group has elected the package of practical expedients, which allows the Group not to reassess (1) whether any expired or existing contracts as of the adoption date are or contain a lease; (2) lease classification for any expired or existing leases as of the adoption date; and (3) initial direct costs for any expired or existing leases as of the adoption date. Lastly, the Group elected the short-term lease exemption for all contracts with lease terms of 12 months or less. The Group recognizes lease expense for short-term leases on a straight-line basis over the lease term.

Right-of-use assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments. As the interest rate implicit in the Group's leases is not readily determinable, the Group utilizes its incremental borrowing rate, determined by class of underlying asset, to discount the lease payments. The operating lease right-of-use assets also include lease payments made before commencement and exclude lease incentives. Some

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

of the Group's lease agreements contained renewal options; however, the Group did not recognize right-of-use assets or lease liabilities for renewal periods unless it was determined that the Group was reasonably certain of renewing the lease at inception or when a triggering event occurred. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Group's lease agreements did not contain any material residual value guarantees or material restrictive covenants.

The Group leases factories, warehouses, offices space, vehicles and machineries under non-cancellable operating leases. The Group considers those renewal or termination options that are reasonably certain to be exercised in the determination of the lease term and initial measurement of right of use assets and lease liabilities.

The Group determines whether a contract is or contains a lease at inception of the contract and whether that lease meets the classification criteria of a finance or operating lease.

As of December 31, 2023 and 2022, the Group had no long-term leases that were classified as a financing lease, and the Group's lease contracts only contain fixed lease payments and do not contain any residual value guarantee.

The Group's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(m) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest expense in profit or loss over the period of the borrowings using the effective interest method.

(n) Accounts and other payables

Accounts and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Accounts and other payables are initially recognized as fair value, and subsequently carried at amortized cost using the effective interest method.

(o) Impairment of long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. When these events occur, the Group measures impairment by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Group would recognize an impairment loss, which is the excess of carrying amount over the fair value of the assets, using the expected future discounted cash flows.

There was no impairment of long-lived assets recognized for the years ended December 31, 2023 and 2022.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(p) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted market prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable and inputs derived from or corroborated by observable market data.
- Level 3 — inputs to the valuation methodology are unobservable.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. In situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects management's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by management based on the best information available in the circumstances.

Financial assets and liabilities of the Group primarily consist of cash and cash equivalents, restricted cash, accounts and notes receivable, amounts due from related parties, accounts payable, borrowings, amounts due to related parties, accrued expenses and other current liabilities. The carrying amounts of the Group's financial instruments, including cash and cash equivalents, restricted cash, accounts and notes receivable, amounts due from related parties, prepaid expenses and other current assets, accounts payable, borrowings, amounts due to related parties, accrued expenses and other current liabilities, approximate their fair values because of their short-term nature.

(q) Revenue recognition

The Group recognized its revenue under ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"). The core principle underlying the revenue recognition of ASC606 allows the Group to recognize revenue that represents the transfer of goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in such exchange. This will require the Group to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer.

To achieve that core principle, the Group applies five-step model to recognize revenue from customer contracts. The five-step model requires the Group to (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur; (iv) allocate the transaction price to the respective performance obligations in the contract; and (v) recognize revenue when (or as) the Group satisfies the performance obligation.

The Group derives its revenues principally from sales of golf club shafts and sales of sports accessories, food and beverage.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue recognition policies for each type of revenue stream are as follows:

Sales of golf club shafts

The Group manufactures golf clubs and sells them to sports brand manufacturers and distributors. The revenue is recognized at a point in time when the Group satisfies the performance obligation by transferring promised product to a customer upon acceptance by customers. The Group recognizes the accounts receivable at the time of delivery of the goods.

Sales of sports accessories, food and beverage

The Group is engaged in wholesale of alcoholic beverages, sale of sporting accessories in the retail market and the provision of catering services. Revenue is recognized when the product is physically delivered to and accepted by the customer, and the consideration is paid immediately when the customer purchases the product.

The contract payment is not subject to any variable consideration, refund, cancellation or termination provision. No significant financing component, noncash payment identified in the arrangements with customers.

Revenue by categories

The following table disaggregates the Group's revenue categories for the years ended December 31, 2023 and 2022:

	2023	2022
Sales of golf club shafts	\$ 27,825,905	\$ 49,111,948
Sales of sports accessories, food and beverage	904,644	667,517
Total revenues	\$ 28,730,549	\$ 49,779,465

Revenue by divisions

The following table sets forth disaggregation of revenue by customer location.

	For the Years Ended December 31,	
	2023	2022
Primary geographical markets		
America	\$ 16,707,660	\$ 20,915,929
Vietnam	2,860,192	4,745,564
China mainland	2,644,342	4,559,686
Taiwan	1,865,032	3,701,751
Japan	1,746,123	2,394,098
Mexico	1,130,696	6,967,180
Europe	824,563	4,133,723
Others	951,941	2,361,534
Total	\$ 28,730,549	\$ 49,779,465

Contract balances

When the Group begins to deliver the products or services pursuant to the performance obligations in the contract, the Group presents the contract in the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Accounts receivable represent revenue recognized for the amounts invoiced when the Group has satisfied its performance obligation and has unconditional right to the payment.

The contract liabilities consist of deferred revenue, which represents the billings or cash received for services in advance of revenue recognition and is recognized as revenue when all the Group's revenue recognition criteria are met. Contract assets and contract liabilities are reported in a net position on an individual contract basis at the end of each reporting period. The Group's deferred revenue, which was included in accrued expenses and other current liabilities in the consolidated balance sheets, was \$35,080 and \$98,708 as of December 31, 2023 and 2022, respectively. Till the date of issuance of the consolidated financial statements, the Company recognized \$6,705 revenue that was included in contractual liabilities as of December 31, 2023.

Other than accounts receivable and deferred revenue, which was included in accrued expenses and other current liabilities in the consolidated balance sheets, the Group had no other material contract assets or recorded on its consolidated balance sheets as of December 31, 2023 and 2022.

(r) Cost of sales

Cost of sales mainly consists of costs of raw materials, consumables, direct labour, outsourced processing fee, overhead costs, depreciation of property, plant and equipment, and inventory write-downs.

(s) Income taxes

The Group accounts for income taxes under ASC 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying

amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are recoverable, management estimated that it is more likely than not that the results of future operations will not generate sufficient taxable income to realize the deferred tax assets as December 31, 2023 and 2022. Thus, management decided to record all of the valuation allowance. There was no valuation allowance as of December 31, 2023 and 2022. While the Group consider the facts above, our projections of future income qualified tax-planning strategies may be changed due to the macroeconomic conditions and our business development. The deferred tax assets could be utilized in the future years if we make profits in the future, the valuation allowance shall be reversed.

The provisions of ASC 740-10-25, "Accounting for Uncertainty in Income Taxes," prescribe a more-likely-than-not threshold for consolidated financial statement recognition and measurement of a tax position taken (or expected to be taken) in a tax return. This interpretation also provides guidance on the recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and related disclosures.

The Group did not accrue any liability, interest or penalties related to uncertain tax positions in its provision for income taxes line of its consolidated statements of income for the years ended December 31, 2023 and 2022, respectively. The Company will recognize interest and penalties, if any, related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statement of operations. Accrued interest and penalties will be included on the related tax liability line in the consolidated balance sheet.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

The Group does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months.

(t) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees and should be recognized as expenses when the employees render service.

(b) Pensions

i) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in future payments.

ii) Defined benefit plans

1. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in the current period or prior periods. The liability recognized in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statements of financial position date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.
2. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Past service costs are recognized immediately in profit or loss.

(u) Government grants

Government subsidies are recognized as other income when received and all the conditions for their receipt have been met. The government subsidies were paid by cash and have no defined rules and regulations to govern the criteria necessary for the Group to enjoy the benefits.

Government grants related to property, plant and equipment are recognized as liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using straight-line method. Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(v) Foreign currency transactions and translations

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates at the balance sheet dates. The resulting exchange differences are recorded in the consolidated statements of operations and comprehensive income.

The reporting currency of the Group is United States Dollars (“US\$”) and the accompanying consolidated financial statements have been expressed in US\$. The functional currency of FST Taiwan is the Taiwan dollars (“TWD”). The Group’s subsidiaries in US and Japan conduct their businesses and maintain its books and record in the local currency, US\$ and Japan Yen (“JPY”), as their functional currency, respectively.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

In general, for consolidation purposes, assets and liabilities of FST and its subsidiary whose functional currency is not US\$ are translated into US\$, in accordance with ASC Topic 830-30, “Translation of Financial Statement”, using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the period. The gains and losses resulting from translation of financial statements of foreign subsidiary are recorded as a separate component of accumulated other comprehensive income (loss) within the statements of shareholders’ equity. Cash flows are also translated at average translation rates for the periods; therefore, amounts reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the consolidated balance sheets.

Translation of foreign currencies into US\$1 have been made at the following exchange rates for the respective periods:

	For the Years Ended December 31,	
	2023	2022
Period end USD: TWD exchange rate	30.6200	30.7300
Average USD: TWD exchange rate	31.1525	29.7963
Period end USD: JPY exchange rate	140.9200	131.8100
Average USD: JPY exchange rate	140.5001	131.4589

(w) Comprehensive income

Comprehensive income consists of two components, net income and other comprehensive income. The foreign currency translation gain or loss resulting from translation of the consolidated financial statements expressed in TWD/JPY to USD is reported in other comprehensive (loss) income in the consolidated statements of operations and comprehensive income.

(x) Earnings per share

Basic earnings per share is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding for the period. Diluted earnings per share is calculated by dividing net income attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Potentially dilutive shares are excluded from the computation if their effect is anti-dilutive.

(y) Segment reporting

The Group uses the management approach in determining its operating segments. The Group's chief operating decision maker ("CODM") identified as the Group's Chief Executive Officer, relies upon the consolidated results of operations as a whole when making decisions about allocating resources and assessing the performance of the Group. As a result of the assessment made by CODM, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting.

The Group's long-lived assets are substantially located in the Taiwan and United States. The following table presents long-lived assets by geographic segment as of December 31, 2023 and 2022.

	December 31,	
	2023	2022
Taiwan	\$ 18,666,589	\$ 7,777,177
US	10,634,130	11,008,691
Japan	1,164,640	1,728,064
Total	<u>\$ 30,465,359</u>	<u>\$ 20,513,932</u>

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(z) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(aa) Recent accounting pronouncements

The Group is an "emerging growth company" ("EGC") as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, EGC can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies.

Recent accounting standards that have been issued by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Group does not discuss recent standards that are not anticipated to have an impact on or are unrelated to its consolidated financial position, results of operations, cash flows or disclosures.

3. ACCOUNTS AND NOTES RECEIVABLE, NET

Accounts receivable and notes receivable, net consisted of the following:

	As of December 31,	
	2023	2022
Accounts receivable, gross	\$ 4,955,083	\$ 6,695,545
Notes receivable	22,463	10,615
Allowance for doubtful accounts	(245,888)	(400,797)
Accounts and notes receivable, net	<u>\$ 4,731,658</u>	<u>\$ 6,305,363</u>

The changes in the provision for doubtful accounts are as follows:

	For the Years Ended December 31,	
	2023	2022
Balance at the beginning of the year	\$ 400,797	\$ 37,616
Additions	1,652	363,248
Reverse	(154,929)	—
Exchange rate difference	(1,632)	(67)
Balance at the end of the year	<u>\$ 245,888</u>	<u>\$ 400,797</u>

4. INVENTORIES, NET

Inventories consisted of the following:

	As of December 31,	
	2023	2022
Raw material	\$ 1,349,217	\$ 1,183,665
Work-in-process	224,913	289,376
Finished goods	14,531,636	7,883,576
Inventories	16,105,766	9,356,617
Inventory valuation allowance	(900,142)	(704,802)
Inventories, net	<u>\$ 15,205,624</u>	<u>\$ 8,651,815</u>

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FEMCO STEEL TECHNOLOGY CO., LTD.
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4. INVENTORIES, NET (cont.)

The changes in inventory valuation allowance are as follows:

	For the Years Ended December 31,	
	2023	2022
Balance at the beginning of the year	\$ 704,802	\$ 517,188
Additions	192,766	213,319
Exchange rate difference	2,574	(25,705)
Balance at the end of the year	<u>\$ 900,142</u>	<u>\$ 704,802</u>

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepayments and other current assets consisted of the following:

	As of December 31,	
	2023	2022
Prepaid expense	\$ 587,986	\$ 521,790
Prepaid IPO expenses	599,228	—
Sales tax refundable	235,892	200,001
Prepaid income tax	95,993	4,091
Prepayments for inventory	81,307	15,568
Deposit	74,428	22,779
Others	109,529	51,392

Total	\$ 1,784,363	\$ 815,621

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, consisted of the following:

	As of December 31,	
	2023	2022
Land ⁽¹⁾	\$ 9,395,038	\$ —
Machinery	13,398,770	11,820,624
Office and other equipment	2,078,313	1,800,991
Property and buildings ⁽¹⁾	285,260	—
Leasehold improvements	2,841,027	2,521,183
Operating equipment	491,928	469,085
Plant, property and equipment, gross	28,490,336	16,611,883
Construction in progress	1,592,843	1,176,314
Less: accumulated depreciation	(11,692,833)	(10,380,611)
Less: Impairment of property, plant and equipment	(194,812)	(194,114)
Property, plant and equipment, net	\$ 18,195,534	\$ 7,213,472

(1) On July 11, 2023, the Group entered an agreement with Chiayi Sports Equipment Co., Ltd to acquire its land and buildings with the total area of 10,069 square meters, and the consideration of TWD 296,000,000 (approximately \$9,666,884), including tax of \$178,570. The land was freehold land with no depreciation recognized.

Depreciation expenses were \$1,468,548 and \$1,192,025 for the years ended December 31, 2023 and 2022, respectively.

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

7. INTANGIBLE ASSETS, NET

	As of December 31,	
	2023	2022
Trade mark	\$ 6,500,000	\$ 6,500,000
Software	854,975	833,680
Intangible assets, gross	7,354,975	7,333,680
Less: accumulated amortization	(2,023,632)	(1,690,938)
Intangible assets, net	\$ 5,331,343	\$ 5,642,742

Amortization expenses were \$347,040 and \$351,862 for the years ended December 31, 2023 and 2022, respectively.

8. PREPAYMENT AND OTHER NON-CURRENT ASSETS

Prepayment and other non-current assets consisted of the following:

	As of December 31,	
	2023	2022
Prepayment for equipment	\$ 46,461	\$ 616,745
Deposit	516,735	567,544
Others	30,277	31,677
Total	\$ 593,473	\$ 1,215,966

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other liabilities consisted of the following:

	As of December 31,	
	2023	2022
Accrued expense	\$ 2,260,997	\$ 3,740,966
Payable for purchasing equipment	233,635	209,296
Accrued payroll and welfare	248,286	938,408
Contract liabilities	35,080	98,708
Others	383,260	366,762
Total	\$ 3,161,258	\$ 5,354,140

10. LEASES

Operating lease right-of-use assets, net and operating lease liabilities consisted of the following:

	As of December 31,	
	2023	2022
Operating lease right-of-use assets	11,372,614	11,545,676
Operating lease right-of-use assets – accumulated amortization	(4,434,132)	(3,887,958)
Operating lease right-of-use assets, net	<u>6,938,482</u>	<u>7,657,718</u>
Operating lease liabilities, current	2,172,368	2,172,891
Operating lease liabilities, non-current	5,255,281	5,820,362
Total operating lease liabilities	<u>7,427,649</u>	<u>7,993,253</u>

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

10. LEASES (cont.)

A summary of lease cost recognized in the Group's consolidated statements of operations and comprehensive income is as follows:

	For the Years Ended December 31,	
	2023	2022
Operating leases cost excluding short-term rental expense	\$ 2,529,180	\$ 1,364,128
Short-term lease cost	98,935	869,563
Total	\$ 2,628,115	\$ 2,233,691

The Group's lease agreements do not have a discount rate that is readily determinable. The incremental borrowing rate is determined at lease commencement or lease modification and represents the rate of interest the Group would have to pay to borrow on a collateralized basis over a similar term and an amount equal to the lease payments in a similar economic environment.

As of December 31, 2023, the weighted average remaining lease term was 7.77 years, and the weighted average discount rate was 2.98% for the Group's operating leases.

The following table summarizes the maturity of lease liabilities under operating leases as of December 31, 2023:

	Operating Leases

For the year ending December 31,		
2024	\$	2,405,774
2025		1,466,363
2026		1,205,966
2027		514,931
2028 and thereafter		2,937,080
Total lease payments		8,530,114
Less: imputed interest		1,102,465
Total		7,427,649
Less: current portion		2,172,368
Non-current portion	\$	5,255,281

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(In U.S. dollars, except for share and per share data, or otherwise noted)

11. BORROWINGS

As of December 31, 2023 and 2022, summary of the borrowings is as following:

Bank and other financial institution	Annual Interest Rate		Maturity	Principal	As of December 31, 2023		As of December 31, 2022	
					Short-term	Long-term (Non-current portions)	Short-term	Long-term (Non-current portions)
Bank SinoPac ⁽¹⁾	1.93	% and 2.34%	May 2023, June 2023 and November 2027	3,175,348			1,811,588	1,363,760
Hua Nan Bank	2.25	%	June 2023	325,415			325,415	—
En Tie Bank	2.29	%	February 2023	162,707			162,707	—
Taishin International Bank	2.25	%	January 2023	325,415			325,415	—
E.SUN BANK	2.25	%	June 2023	325,415			325,415	—
Chang Hwa Bank	2.18	%	May 2023	325,415			325,415	—
Bank of Taiwan ⁽²⁾	2.36	%	March 2023	325,415			325,415	—
Jihsun Bank	2.06	%	March 2023	1,627,075			1,627,075	—
Taipei Fubon Bank	2.20	%	February, March and April, 2023	1,247,911			1,247,911	—
First Bank	1.95	%	November 2023	976,245			976,243	—
Bank SinoPac ⁽¹⁾	2.06	% and 2.47%	February, March, April, May and June 2024, November 2027 and December 2028	5,926,654	4,075,304	1,851,350	—	—
Hua Nan Bank	2.20	%	January and May, 2024	979,752	979,752	—	—	—
Taishin International Bank	2.45	%	January 2024	326,584	326,584	—	—	—
E.SUN BANK	2.50	%	May and June 2024	816,460	816,460	—	—	—

Chang Hwa Bank ⁽³⁾	2.30	%	January, February and March 2024	1,844,884	1,844,884	—	—	—
Bank of Taiwan ⁽⁴⁾	1.78	% and 2.28%	April, May 2024 and October 2028	7,887,362	1,140,864	6,746,498	—	—
Taipei Fubon Bank	2.21	%	March and June 2024	2,439,750	2,439,750	—	—	—
First Bank	2.08	%	November 2024	979,752	979,752	—	—	—
Yuanta Bank	1.82	%	January and February 2024	1,632,920	1,632,920	—	—	—
Total				14,236,270	8,597,848	7,452,599	1,363,760	

- (1) The loan is guaranteed by the machinery of the Company for the year ended December 31, 2023 and 2022.
(2) The loan is guaranteed by restricted cash of \$81,537 for the year ended December 31 2022.
(3) The loan is guaranteed by restricted cash of \$401,110 for the year ended December 31 2023.
(4) The loan is guaranteed by land and buildings of the Company for the year ended December 31, 2023 and 2023.
(5) All the loans were guaranteed by David Chuang, the director of the Group.

Interest expenses were \$295,631 and \$155,402 for the years ended December 31, 2023 and 2022, respectively. The weighted average interest rates for the years ended December 31, 2023 and 2022 were 2.07% and 2.14%, respectively.

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

12. TAXATION

The income tax provision consisted of the following components:

	For the years ended December 31,	
	2023	2022
Current income tax expenses	\$ (87,844)	\$ 3,317,778
Deferred income tax (benefit) expenses	(35,307)	(223,019)
Total income tax (benefits) expenses	<u>\$ (123,151)</u>	<u>\$ 3,094,759</u>

A reconciliation between the Group's actual provision for income taxes and the provision at the parent company's statutory rate is as follows:

	For the years ended December 31,	
	2023	2022
(Loss) Income before income taxes	\$ (2,359,110)	\$ 12,470,436
Income tax expenses computed at statutory EIT rate	(488,104)	2,494,087
Reconciling items:	—	
Impact of different tax rates in other jurisdictions	(80,053)	438,325
Tax effect of non-deductible items	504,395	177,815
Tax effect of additional deductions	—	(15,468)
Under/(Over) provision of current year taxation in respect of prior year	(436,407)	—
Unrecognized deferred tax assets	52,646	—
Under provision of deferred taxation in respect of prior year	323,039	—
Others	1,333	—
Income tax (benefits) expenses	<u>\$ (123,151)</u>	<u>\$ 3,094,759</u>

As of December 31, 2023 and 2022 the significant components of the deferred tax assets and deferred tax liabilities are summarized below:

	As of December 31,	
	2023	2022
Deferred tax assets:		
Deferred revenue generated from intercompany transactions	\$ 491,451	\$ 358,879
Bad debt provision	305,903	304,808
Write-down of inventories	96,538	83,103
Others	118,888	136,960
Deferred tax assets, gross	1,012,780	883,750
Valuation allowance		—
Deferred tax assets, net of valuation allowance	1,012,780	883,750
Deferred tax liabilities:		
Depreciation allowances under tax in excess of the related depreciation under accounting	293,047	260,804
Amortization allowances under tax in excess of the related amortization under accounting	370,364	319,888
Deferred tax liabilities	\$ 663,411	\$ 580,692

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FEMCO STEEL TECHNOLOGY CO., LTD.
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12. TAXATION (cont.)

Uncertain tax positions

The Group evaluates each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measure the unrecognized benefits associated with the tax positions. As of December 31, 2023 and 2022, the Group did not have any significant unrecognized uncertain tax positions. The Group did not incur interest and penalties tax for the years ended December 31, 2023 and 2022.

13. RELATED PARTY TRANSACTIONS

The following is a list of related parties which the Group has significant transactions with:

No.	Name of Related Parties	Relationship with the Group
a	Factory Automation Technology Co., Ltd	6.93% owned by the Group
b	Far East Machinery Co., Ltd	A principal shareholder of the Group
c	David Chuang	The Chairman of the board of the Group
d	Chiayi Sports Equipment Co., Ltd	David Chuang is immediate family member of Chairman of the board

Amounts due from related parties

Amounts due from related parties consisted of the following for the periods indicated:

	As of December 31,	
	2023	2022
Factory Automation Technology Co., Ltd ⁽¹⁾	\$ 14,132	\$ 77,755
Far East Machinery Co., Ltd ⁽²⁾	—	29,892

Total	\$ 14,132	\$ 107,647

- (1) The balance mainly represented software service fee charged and prepayment for machinery to the related party.
(2) The balance mainly represented prepayment for installation fee of high-voltage wire to the related party.

Amounts due to related parties

Amounts due to related parties consisted of the following for the periods indicated:

	As of December 31,	
	2023	2022
Far East Machinery Co., Ltd ⁽¹⁾	\$ 241,324	\$ 242,659
Chiayi Sports Equipment Co., Ltd ⁽²⁾	1,643	1,579
Peko, LLC	32,500	—
Total	\$ 275,467	\$ 244,238

- (1) The balance mainly represented lease expense and utility expense payable to the related party.
(2) The balance mainly represented utility expense payable to the related party.

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

13. RELATED PARTY TRANSACTIONS (cont.)

Related party transactions

Material related party transactions consisted of the following for the periods indicated:

Related party transactions	For the years ended December 31,	
	2023	2022
Nature		
Factory Automation Technology Co., Ltd.		
Software service fee	\$ 219,143	\$ 265,179
Purchase of machinery	\$ 114,597	\$ —
Far East Machinery Co., Ltd		
Lease expense	\$ 770,403	\$ 648,403
Utility expense	\$ 765,801	\$ 625,068
Peko, LLC		
Lease expense	\$ 360,000	\$ 330,000
Chiayi Sports Equipment Co., Ltd		
Lease expense	\$ 124,709	\$ —
Purchase of land and buildings	\$ 9,488,314	\$ —

14. ORDINARY SHARES

The Group was established under the laws of Taiwan on May 18, 1976. As of December 31, 2022, the authorized number of Ordinary Shares was 100,000,000 with par value of TWD\$10 (approximately \$0.33) per share and the Group issued 41,221,919 shares to the shareholders at par value TWD\$10 per share and 743,000 to the employees for share-based compensation. On June 19, 2023, the Group's shareholder meeting approved to issue 12,589,476 additional Ordinary Shares to all existed shareholders at par value of TWD\$10 (approximately

\$0.33) per share as stock dividend, each 1,000 Ordinary Shares of existed shareholders has the right to receive 300 shares of stock dividend. As of December 31, 2023, the authorized number of Ordinary Shares was 100,000,000 with par value of TWD\$10 (approximately \$0.33) per share and 53,811,395 shares was issued to the shareholders at par value TWD\$10 per share and 743,000 to the employees for share-based compensation.

15. CONCENTRATION OF RISK

(a) Exchange rate risks

FST Taiwan and the Group's subsidiary in Japan may be exposed to significant currency risks from exchange rate fluctuations and the degree of foreign exchange rates between the U.S. Dollar and the TWD, and between the U.S. Dollar and the JPY. As of December 31, 2023 and 2022, the TWD denominated cash and cash equivalents and restricted cash amounted to \$8,856,143 and \$14,714,477, respectively. As of December 31, 2023 and 2022, the JPY denominated cash and cash equivalents amounted to \$105,373 and \$108,303, respectively.

(b) Liquidity risks

The Group is exposed to liquidity risks, which is the risk it will be unable to provide sufficient capital resources and liquidity to meet its commitments and business needs. The Group is also exposed to liquidity risk on the repayment of matured bank borrowings. As of December 31, 2023 and 2022, short-term bank loans amounted to \$14,236,270 and \$7,452,599, respectively. Liquidity risk is controlled by the application of financial position analysis and monitoring procedures. When necessary, the Group may turn to bank and other financial institutions to take loans to meet liquidity shortages.

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15. CONCENTRATION OF RISK (cont.)

(c) Interest rate risk

The Group is subject to interest rate risk. Bank interest bearing loans are charged at variable interest rates within the reporting period. The Group is subject to the risk of adverse changes in the interest rates charged by the banks when these loans are refinanced.

(d) Credit risks

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of accounts receivable. The Group conducts credit evaluations of its customers, and generally does not require collateral or other security from them. The Group evaluates its collection experience and long outstanding balances to determine the need for an allowance for doubtful accounts. The Group conducts periodic reviews of the financial condition and payment practices of its customers to minimize collection risk on accounts receivable.

The following table sets forth a summary of single customers who represented 10% or more of the Group's total revenue.

	For the years ended December 31,	
	2023	2022
Percentage of the Group's total revenue		
Customer A	*	14%
Total	—	14%

* Represent percentage less than 10%

The following table sets forth a summary of single customers who represented 10% or more of the Group's total accounts receivable:

	As of December 31,	
	2023	2022
Percentage of the Group's accounts receivable		

Customer B	12%	*
Total	12%	—

* Represent percentage less than 10%

The following table sets forth a summary of single suppliers who represented 10% or more of the Group's total purchase:

	For the years ended December 31,	
	2023	2022
Percentage of the Group's accounts payable		
Supplier A	21%	20%
Supplier B	20%	24%
Supplier C	15%	15%
Total	56%	59%

* Represent percentage less than 10%

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FEMCO STEEL TECHNOLOGY CO., LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In U.S. dollars, except for share and per share data, or otherwise noted)

15. CONCENTRATION OF RISK (cont.)

The following table sets forth a summary of single suppliers who represented 10% or more of the Group's total accounts payable:

	As of December 31,	
	2023	2022
Percentage of the Group's accounts payable		
Supplier A	31%	18%
Supplier D	*	10%
Total	31%	28%

* Represent percentage less than 10%

16. COMMITMENTS AND CONTINGENCIES

Contingencies

The Group's significant unrecognized contractual commitments are as follows:

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	\$ 1,319,465	\$ 1,077,759
Access to software license services	349,755	351,316
Total	\$ 1,669,220	\$ 1,429,075

In the ordinary course of business, the Group may be subject to legal proceedings regarding contractual and employment relationships and a variety of other matters. The Group records contingent liabilities resulting from such claims, when a loss is assessed to be probable, and the amount of the loss is reasonably estimable. In the opinion of management, there were no material pending or threatened claims and litigation as of the issuance date of these consolidated financial statements.

17. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through the date of issuance of the consolidated financial statements, and it did not identify any subsequent events with material financial impact on the Group's consolidated financial statements.

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FEMCO STEEL TECHNOLOGY CO., LTD.
CONSOLIDATED BALANCE SHEETS
(In U.S. dollars, except for share and per share data, or otherwise noted)

	As of September 30, 2023 (Unaudited)	As of December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	10,314,799	20,740,375
Restricted cash	93,461	81,537
Accounts and notes receivable, net	4,155,609	6,305,363
Inventories, net	15,162,711	8,651,815
Amounts due from related parties	74,113	107,647
Prepaid expenses and other current assets	866,966	815,621
Total current assets	30,667,659	36,702,358
Non-current assets		
Property, plant and equipment, net	16,849,498	7,213,472
Intangible assets, net	5,374,615	5,642,742
Long-term investment	636,263	667,527
Right-of-use assets	6,644,147	7,657,718
Deferred offering cost	664,502	—
Deferred tax assets	844,940	883,750
Prepayment and other non-current assets	990,936	1,215,966
Total non-current assets	32,004,901	23,281,175
Total assets	62,672,560	59,983,533
LIABILITIES		
Current liabilities		
Short-term bank loans	13,474,628	7,452,599
Accounts payable	1,581,970	1,682,828
Lease liabilities	1,574,540	2,172,891
Amounts due to related parties	283,001	244,238
Income taxes payable	503,934	2,890,525
Accrued expenses and other current liabilities	10,261,942	5,354,140
Total current liabilities	27,680,015	19,797,221
Non-current liabilities		
Long-term bank loan	1,050,972	1,363,760
Lease liabilities	5,519,507	5,820,362
Deferred tax liabilities	580,548	580,692
Total non-current liabilities	7,151,027	7,764,814

Total liabilities	34,831,042	27,562,035

COMMITMENTS AND CONTINGENCIES (Note 17)		

SHAREHOLDERS' EQUITY		
Ordinary share, \$0.33 par value, 100,000,000 shares authorized, 54,554,395 and 41,964,919 shares issued and outstanding, respectively, as of September 30, 2023 and December 31, 2022	17,951,198	13,994,732
Additional paid in capital	4,443,095	4,443,095
Statutory reserves	3,153,779	3,112,915
Retained earnings	4,454,628	12,056,304
Accumulated other comprehensive loss	(2,161,182)	(1,185,548)
Total shareholders' equity	27,841,518	32,421,498
Total liabilities and shareholders' equity	62,672,560	59,983,533

The accompanying notes are an integral part of these consolidated financial statements.

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FEMCO STEEL TECHNOLOGY CO., LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE (LOSS) INCOME (UNAUDITED)
(In U.S. dollars, except for share and per share data, or otherwise noted)

	For the Nine Months Ended September 30,	
	2023	2022
Revenue	20,484,058	37,675,442
Cost of revenue	10,740,676	18,509,894
Gross profit	9,743,382	19,165,548
COSTS AND OPERATING EXPENSES:		
Selling expenses	6,887,565	5,736,792
General and administrative expenses	3,907,821	4,376,798
Research and development expenses	1,173,909	1,040,396
Total costs and operating expenses	11,969,295	11,153,986
(LOSS) PROFIT FROM OPERATIONS	(2,225,913)	8,011,562
OTHER INCOME (EXPENSE)		
Interest income (expense)	75,101	(235,542)
Foreign exchange gain	976,671	2,120,263
Other income	494,417	381,126
Total other income, net	1,546,189	2,265,847
(LOSS) PROFIT BEFORE INCOME TAX EXPENSES	(679,724)	10,277,409
INCOME TAX EXPENSES	209,325	2,193,867
NET (LOSS) INCOME	(889,049)	8,083,542
OTHER COMPREHENSIVE (LOSS) INCOME		
Foreign currency translation adjustment	(975,634)	(864,571)

TOTAL COMPREHENSIVE (LOSS) INCOME	(1,864,683)	7,218,971
Weighted average number of shares outstanding, basic and diluted	43,410,377	41,964,919
(Loss) Earnings per share, basic and diluted	(0.02)	0.19

The accompanying notes are an integral part of these consolidated financial statements.

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FEMCO STEEL TECHNOLOGY CO., LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY
(In U.S. dollars, except for share and per share data, or otherwise noted)

	Ordinary Shares		Additional paid-in capital	Statutory reserves	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
	Shares*	Amount					
Balance as of December 31, 2021	41,964,919	\$ 13,994,732	\$ 4,443,095	\$ 2,392,989	\$ 3,685,457	\$ 468,067	\$ 24,984,340
Appropriation to statutory reserves	—	—	—	719,926	(719,926)	—	—
Net income	—	—	—	—	8,083,542	—	8,083,542
Dividend distribution	—	—	—	—	(281,679)	—	(281,679)
Foreign currency translation adjustment	—	—	—	—	—	(864,571)	(864,571)
Balance as of September 30, 2022 (unaudited)	41,964,919	\$ 13,994,732	\$ 4,443,095	\$ 3,112,915	\$ 10,767,394	\$ (396,504)	\$ 31,921,632
Balance as of December 31, 2022	41,964,919	\$ 13,994,732	\$ 4,443,095	\$ 3,112,915	\$ 12,056,304	\$ (1,185,548)	\$ 32,421,498
Stock dividend distribution	12,589,476	3,956,466	—	—	(3,956,466)	—	—
Appropriation to statutory reserves	—	—	—	40,864	(40,864)	—	—
Net loss	—	—	—	—	(889,049)	—	(889,049)
Cash dividend distribution	—	—	—	—	(2,715,297)	—	(2,715,297)
Foreign currency translation adjustment	—	—	—	—	—	(975,634)	(975,634)
Balance as of September 30, 2023 (unaudited)	54,554,395	\$ 17,951,198	\$ 4,443,095	\$ 3,153,779	\$ 4,454,628	\$ (2,161,182)	\$ 27,841,518

The accompanying notes are an integral part of these consolidated financial statements.

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FEMCO STEEL TECHNOLOGY CO., LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In U.S. dollars)

For the Nine Months Ended
September 30,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash (used in) provided by operating activities	(1,636,091)	6,596,408
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(11,250,065)	(1,395,632)
Proceeds from property, plant and equipment	—	9,545
Purchase of intangible assets	—	24,588
Net cash used in investing activities	(11,250,065)	(1,361,499)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short-term borrowings	24,992,213	19,347,049
Repayments of short-term borrowings	(18,612,133)	(17,133,204)
Cash dividend distribution	(2,715,297)	—
Payment of Offering Costs	(692,496)	—
Net cash provided by financing activities	2,972,287	2,213,845
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	(499,784)	(330,657)
Net (decrease)increase in cash and cash equivalents	(10,413,652)	7,118,096
Cash, cash equivalents and restricted cash at the beginning of period	20,821,912	10,604,277
Cash, cash equivalents and restricted cash at the end of period	<u>\$ 10,408,260</u>	<u>\$ 17,722,373</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest expenses paid	\$ 179,322	\$ 103,405
Income taxes paid	\$ 43,459	\$ 514,260
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Right of use assets obtained in exchange for operating lease obligations	\$ 1,081,796	\$ 914,704
Stock dividend distribution	\$ 3,956,466	\$ —

The following tables provide a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same amounts shown in the cash flows:

	As of September 30,	
	2023	2022
Cash and cash equivalents, beginning of the period	\$ 20,740,375	\$ 10,350,146
Restricted cash, beginning of the period	81,537	254,131
Total cash, cash equivalents and restricted cash, beginning of the period	<u>\$ 20,821,912</u>	<u>\$ 10,604,277</u>
	As of September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Cash and cash equivalents, end of the period	\$ 10,314,799	\$ 17,636,967
Restricted cash, end of the period	93,461	85,406
Total cash, cash equivalents and restricted cash, end of the period	<u>\$ 10,408,260</u>	<u>\$ 17,722,373</u>

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Femco Steel Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in developing, producing and selling of golf club shafts and other sports equipment.

The Company was incorporated under the law of Taiwan with limited liability on May 18, 1976.

FST America, Inc., wholly owned by the Company, was incorporated on September 9, 2015 in Colorado, US. It is engaged in sports equipment business.

FST Japan LLC, wholly owned by FST America, Inc., was incorporated on September 16, 2020 in Japan. It is engaged in sports equipment business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of presentation and principles of consolidation*

The unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Security and Exchange Commission (“SEC”) and accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial reporting. Certain information and footnote disclosures normally included in financial statements prepared in conformity with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these statements should be read in conjunction with the Group’s audited consolidated financial statements for the years ended December 31, 2021 and 2022.

In the opinion of the management, the accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments, which are necessary for a fair presentation of financial results for the interim periods presented. The Group believes that the disclosures are adequate to make the information presented not misleading. The accompanying unaudited condensed consolidated financial statements have been prepared using the same accounting policies as used in the preparation of the Group’s consolidated financial statements for the year ended December 31, 2022. The results of operations for the nine months ended September 30, 2023 are not necessarily indicative of the results for the full year.

(b) *Use of estimates*

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenue and expenses during the reported periods in the consolidated financial statements and accompanying notes. Significant accounting estimates include, but not limited to, the allowance for receivable, the recoverability of long-lived assets and accounting for deferred income taxes and valuation allowance for deferred tax assets. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

(c) *Restricted cash*

Restricted cash consist of loan guarantee and bank deposits with designated use, which cannot be withdrawn without certain approval or notice.

The restricted cash was \$93,461 and \$81,537 as of September 30, 2023 and December 31, 2022, which was all loan guarantee.

FEMCO STEEL TECHNOLOGY CO., LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) *Revenue recognition*

The Group recognized its revenue under ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). The core principle underlying the revenue recognition of ASC606 allows the Group to recognize

revenue that represents the transfer of goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in such exchange. This will require the Group to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer.

To achieve that core principle, the Group applies five-step model to recognize revenue from customer contracts. The five-step model requires the Group to (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur; (iv) allocate the transaction price to the respective performance obligations in the contract; and (v) recognize revenue when (or as) the Group satisfies the performance obligation.

The Group derives its revenues principally from sales of golf club shafts and sales of sports accessories, food and beverage.

Revenue recognition policies for each type of revenue stream are as follows:

Sales of golf club shafts

The Group manufactures golf clubs and sells them to sports brand manufacturers and distributors. The revenue is recognized at a point in time when the Group satisfies the performance obligation by transferring promised product to a customer upon acceptance by customers. The Group recognizes the accounts receivable at the time of delivery of the goods.

Sales of sports accessories, food and beverage

The Group is engaged in wholesale of alcoholic beverages, sale of sporting accessories in the retail market and the provision of catering services. Revenue is recognized when the product is physically delivered to and accepted by the customer, and the consideration is paid immediately when the customer purchases the product.

The contract payment is not subject to any variable consideration, refund, cancellation or termination provision. No significant financing component, noncash payment identified in the arrangements with customers.

Revenue by categories

The following table disaggregates the Group's revenue categories for the nine months ended September 30, 2023 and 2022.

	For the Nine Months Ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Sales of golf club shafts	\$ 19,834,746	\$ 37,259,708
Sales of sports accessories, food and beverage	649,312	415,734
Total revenues	\$ 20,484,058	\$ 37,675,442

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Revenue by divisions

The following table sets forth disaggregation of revenue by customer location.

	For the Nine Months Ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Primary geographical markets		

America	\$ 12,120,359	\$ 15,314,131
Vietnam	1,864,384	3,478,365
China mainland	1,814,366	3,054,802
Taiwan	1,225,352	2,722,324
Japan	1,208,525	1,138,723
Mexico	1,021,424	6,735,377
Europe	686,465	3,239,325
Others	543,183	1,992,395
Total	\$ 20,484,058	\$ 37,675,442

(e) Recent accounting pronouncements

The Group is an “emerging growth company” (“EGC”) as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). Under the JOBS Act, EGC can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies.

Except for the ASUs (“Accounting Standards Updates”) issued but not yet adopted disclosed in “Note 2 (z) Recent Accounting Standards” of the Group 2022 Form 10-K, there is no ASU issued by the FASB that is expected to have a material impact on the Group’s consolidated results of operations or financial position.

3. ACCOUNTS AND NOTES RECEIVABLE, NET

Accounts and notes receivable, net consisted of the following:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Accounts receivable, gross	\$ 4,380,541	\$ 6,695,545
Notes receivable	22,171	10,615
Allowance for doubtful accounts	(247,103)	(400,797)
Accounts and notes receivable, net	<u>\$ 4,155,609</u>	<u>\$ 6,305,363</u>

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3. ACCOUNTS AND NOTES RECEIVABLE, NET (cont.)

The changes in the provision for doubtful accounts are as follows:

	September 30, 2023	December 31, 2022
	(Unaudited)	
Balance at the beginning of the period	\$ 400,797	\$ 37,616
Additions	—	363,248
Write down	(150,774)	—
Exchange rate difference	(2,920)	(67)
Balance at the end of the period	<u>\$ 247,103</u>	<u>\$ 400,797</u>

4. INVENTORIES, NET

Inventories, net consisted of the following:

As of September 30,	As of December 31,

	2023	2022
	(Unaudited)	
Raw material	\$ 1,413,672	\$ 1,183,665
Work-in-process	278,544	289,376
Finished goods	14,339,282	7,883,576
Inventories	16,031,498	9,356,617
Inventory valuation allowance	(868,787)	(704,802)
Inventories, net	<u>\$ 15,162,711</u>	<u>\$ 8,651,815</u>

The changes in inventory valuation allowance are as follows:

	September 30, 2023	December 31, 2022
	(Unaudited)	
Balance at the beginning of the period	\$ 704,802	\$ 517,188
Additions	190,053	213,319
Exchange rate difference	(26,068)	(25,705)
Balance at the end of the period	<u>\$ 868,787</u>	<u>\$ 704,802</u>

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepayments and other current assets consisted of the following:

	As of September 30, 2023	As of December 31, 2022
Prepaid expense	\$ 445,550	\$ 521,790
Sales tax receivable	245,527	200,001
Prepayments for inventory	22,676	15,568
Deposit	2,636	22,779
Others	150,577	55,483
Total	<u>\$ 866,966</u>	<u>\$ 815,621</u>

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, consisted of the following:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Land	\$ 8,922,955	\$ —
Machinery	11,871,663	11,820,624
Leasehold improvements	2,746,433	2,521,183
Office and other equipment	2,104,202	1,800,991
Operating equipment	467,905	469,085
Property and buildings	261,302	—
Plant, property and equipment, gross	<u>26,374,460</u>	<u>16,611,883</u>
Construction in progress	1,495,321	1,176,314

Less: accumulated depreciation	(10,835,260)	(10,380,611)
Less: Impairment of plant, property and equipment	(185,023)	(194,114)
Property, plant and equipment, net	<u>\$ 16,849,498</u>	<u>\$ 7,213,472</u>

Depreciation expenses were \$1,076,404 and \$793,473 for the nine months ended September 30, 2023 and 2022, respectively.

7. INTANGIBLE ASSETS, NET

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Trade mark	\$ 6,500,000	\$ 6,500,000
Software	801,004	833,680
Total	<u>7,301,004</u>	<u>7,333,680</u>
Less: accumulated amortization	(1,926,389)	(1,690,938)
Intangible assets, net	<u>\$ 5,374,615</u>	<u>\$ 5,642,742</u>

Amortization expenses were \$260,470 and \$260,744 for the nine months ended September 30, 2023 and 2022, respectively.

8. PREPAYMENT AND OTHER NON-CURRENT ASSETS

Prepayment and other non-current assets consisted of the following:

	As of September 30, 2023	As of December 31, 2022
Prepayment for equipment	\$ 389,632	\$ 616,745
Deposit	557,216	567,544
Others	44,088	31,677
Total	<u>\$ 990,936</u>	<u>\$ 1,215,966</u>

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other liabilities consisted of the following:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Accrued expense	\$ 3,061,974	\$ 3,740,966
Payable for purchasing land and equipment	5,484,237	209,296
Accrued payroll and welfare	1,263,495	938,408
Contract liabilities	56,018	98,708
Others	396,218	366,762
Total	<u>\$ 10,261,942</u>	<u>\$ 5,354,140</u>

10. LEASES

Operating lease right-of-use assets, net and operating lease liabilities consisted of the following:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Operating lease right-of-use assets	\$ 11,764,180	\$ 11,545,676
Operating lease right-of-use assets – accumulated amortization	(5,120,033)	(3,887,958)
Operating lease right-of-use assets, net	\$ 6,644,147	\$ 7,657,718
Operating lease liabilities, current	1,574,540	2,172,891
Operating lease liabilities, non-current	5,519,507	5,820,362
Total operating lease liabilities	\$ 7,094,047	\$ 7,993,253

A summary of lease cost recognized in the Group's unaudited condensed consolidated statements of operations and comprehensive (loss) income is as follows:

	For the Nine Months Ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Operating leases cost excluding short-term rental expense	\$ 1,326,670	\$ 1,120,448
Short-term lease cost	583,846	457,078
Total	\$ 1,910,516	\$ 1,577,526

The Group's lease agreements do not have a discount rate that is readily determinable. The incremental borrowing rate is determined at lease commencement or lease modification and represents the rate of interest the Group would have to pay to borrow on a collateralized basis over a similar term and an amount equal to the lease payments in a similar economic environment.

As of September 30, 2023, the weighted average remaining lease term was 8.60 years, and the weighted average discount rate was 3.78% for the Group's operating leases.

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10. LEASES (cont.)

The following table summarizes the maturity of lease liabilities under operating leases as of September 30, 2023:

For the year ending December 31,	Operating Leases
The remaining of the year ended December 31, 2023	\$ 589,931
2024	1,609,436
2025	1,419,522
2026	1,174,661
2027 and thereafter	3,451,273
Total lease payments	8,244,823
Less: imputed interest	1,150,776
Total	7,094,047
Less: current portion	1,574,540
Non-current portion	\$ 5,519,507

11. BORROWINGS

As of September 30, 2023 and December 31, 2022, summary of the borrowings consisted of as following:

Bank and other financial institution	Annual Interest Rate	Maturity	Principal	As of September 30, 2023 (Unaudited)		As of December 31, 2022	
				Short-term	Long-term (Non-current portions)	Short-term	Long-term (Non-current portions)
Bank SinoPac ⁽¹⁾	1.93% and 2.34%	May 2023, June 2023 and November 2027	3,175,348	—	—	1,811,588	1,363,760
Hua Nan Bank	2.25%	June 2023	325,415	—	—	325,415	—
En Tie Bank	2.29%	February 2023	162,707	—	—	162,707	—
Taishin International Bank	2.25%	January 2023	325,415	—	—	325,415	—
E.SUN BANK	2.25%	June 2023	325,415	—	—	325,415	—
Chang Hwa Bank	2.18%	May 2023	325,415	—	—	325,415	—
Bank of Taiwan ⁽²⁾	2.36%	March 2023	325,415	—	—	325,415	—
Jhsun Bank	2.06%	March 2023	1,627,075	—	—	1,627,075	—
Taipei Fubon Bank	2.20%	February, March and April, 2023	1,247,911	—	—	1,247,911	—
First Bank	1.95%	November 2023	976,243	—	—	976,243	—
Bank SinoPac ⁽¹⁾	2.47% and 2.06%	October, November, December 2023 and January, February, March 2024	4,912,900	3,861,928	1,050,972	—	—
Hua Nan Bank	2.20% and 2.23%	October, 2023 and January, March 2024	1,550,868	1,550,868	—	—	—
Taishin International Bank	2.45%	October, 2023	310,174	310,174	—	—	—
E.SUN BANK	2.50%	November and December 2023	620,347	620,347	—	—	—
Chang Hwa Bank	2.30%	January, February, March 2024	1,752,182	1,752,182	—	—	—
Bank of Taiwan ⁽²⁾	2.38%	October, 2023	310,174	310,174	—	—	—
Taipei Fubon Bank	2.21% and 2.34%	December 2023 and January, March 2024	2,587,564	2,587,564	—	—	—
First Bank	2.08%	November, 2023	930,521	930,521	—	—	—
Yuanta Bank	1.80% and 1.82%	October and November 2023	1,550,870	1,550,870	—	—	—
Total				13,474,628	1,050,972	7,452,599	1,363,760

- (1) The loan is guaranteed by the machinery of the Company as of September 30, 2023 and December 31, 2022.
(2) The loan is guaranteed by restricted cash of \$93,461 and \$81,537 as of September 30, 2023 and December 31, 2022, respectively.
(3) All the loans were guaranteed by David Chuang, the director of the Group.

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11. BORROWINGS (cont.)

Interest expenses were \$182,233 and \$103,335 for the nine months ended September 30, 2023 and 2022, respectively. The weighted average interest rates for the nine months ended September 30, 2023 and 2022 were 2.18% and 1.97%, respectively.

12. TAXATION

The income tax provision consisted of the following components:

	For the Nine Months ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Current income tax expenses	\$ 209,325	\$ 2,193,867
Total income tax expenses	\$ 209,325	\$ 2,193,867

A reconciliation between the Group's actual provision for income taxes and the provision at the parent Group's statutory rate of 20% is as follows:

	For the Nine Months ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
(Loss) income before income taxes	\$ (679,724)	\$ 10,277,409
Income tax expenses computed at statutory EIT rate	(135,945)	2,055,482
Reconciling items:		
Impact of different tax rates in other jurisdictions	(138,499)	(130,428)
Tax effect of non-deductible items	483,769	268,813
Income tax expenses	\$ 209,325	2,193,867
Effective tax rates	(30.8)%	31.4%

Uncertain tax positions

The Group evaluates each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measure the unrecognized benefits associated with the tax positions. As of September 30, 2023 and December 31, 2022, the Group did not have any significant unrecognized uncertain tax positions. The Group did not incur interest and penalties tax for the nine months ended September 30, 2023 and 2022.

13. RELATED PARTY TRANSACTIONS

The following is a list of related parties which the Group has transactions with:

No.	Name of Related Parties	Relationship with the Group
a	Factory Automation Technology Co., Ltd	6.93% owned by the Group
b	Far East Machinery Co., Ltd	A principal shareholder of the Group
c	David Chuang	The Chairman of the board of the Group
d	Chiayi Sports Equipment Co., Ltd	The Chairman of the board is immediate family member of David Chuang

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FEMCO STEEL TECHNOLOGY CO., LTD. NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (In U.S. dollars, except for share and per share data, or otherwise noted)

13. RELATED PARTY TRANSACTIONS (cont.)

Amounts due from related parties

Amounts due from related parties consisted of the following for the periods indicated:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Factory Automation Technology Co., Ltd ⁽¹⁾	\$ 74,113	\$ 77,755

Far East Machinery Co., Ltd ⁽²⁾	—	29,892
Total	\$ 74,113	\$ 107,647

- (1) The balance mainly represented software service fee charged by the related party.
(2) The balance mainly represented prepayment for installation fee of high-voltage wire.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

Amounts due to related parties

Amounts due to related parties consisted of the following for the periods indicated:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Far East Machinery Co., Ltd ⁽¹⁾	\$ 270,769	\$ 242,659
Chiayi Sports Equipment Co., Ltd ⁽¹⁾	12,232	1,579
Total	\$ 283,001	\$ 244,238

The balance mainly represented lease expense and utility expense payable to the related party.

Related party transactions

Material related party transactions consisted of the following for the periods indicated:

<i>Related party transactions</i>	For the Nine Months Ended September 30,	
Nature	2023	2022
	(Unaudited)	(Unaudited)
Factory Automation Technology Co., Ltd.		
Software service fee	\$ 115,853	\$ 77,235
Far East Machinery Co., Ltd		
Lease expense	\$ 581,833	\$ 104,895
Utility expense	\$ 588,473	\$ 92,614
Chiayi Sports Equipment Co., Ltd		
Lease expense	\$ 125,579	\$ 29,319
Utility expense	\$ 16,244	\$ 3,788

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15. ORDINARY SHARES

The Group was established under the laws of Taiwan on May 18, 1976. As of December 31, 2022, the authorized number of Ordinary Shares was 100,000,000 with par value of TWD\$10 (approximately \$0.33) per share and the Group issued 41,221,919 shares to the shareholders at par value TWD\$10 per share and 743,000 to the employees for share-based compensation. On June 19, 2023, the Group's shareholder meeting approved to issue 12,589,476 additional Ordinary Shares to all existed shareholders at par value of TWD\$10 (approximately \$0.33) per share as stock dividend, each 1,000 Ordinary Shares of existed shareholders has the right to receive 300 shares of stock dividend. As of September 30, 2023, the authorized number of Ordinary Shares was 100,000,000 with par value of TWD\$10 (approximately \$0.33) per share and 53,811,395 shares was issued to the shareholders at par value TWD\$10 per share and 743,000 to the employees for share-based compensation.

16. CONCENTRATION OF RISK

Exchange rate risks

FST Taiwan and the Group's subsidiary in Japan may be exposed to significant currency risks from exchange rate fluctuations and the degree of foreign exchange rates between the U.S. Dollar and the TWD, and between the U.S. Dollar and the JPY. As of September 30, 2023 and December 31, 2022, the TWD denominated cash and cash equivalents and restricted cash amounted to \$9,678,551 and \$14,714,477, respectively. As of September 30, 2023 and December 31, 2022, the JPY denominated cash and cash equivalents amounted to \$94,165 and \$108,303, respectively.

Liquidity risks

The Group is exposed to liquidity risks, which is the risk it will be unable to provide sufficient capital resources and liquidity to meet its commitments and business needs. The Group is also exposed to liquidity risk on the repayment of matured bank borrowings. As of September 30, 2023 and December 31, 2022, short-term bank loans amounted to \$13,474,628 and \$7,452,599, respectively. Liquidity risk is controlled by the application of financial position analysis and monitoring procedures. When necessary, the Group may turn to bank and other financial institutions to take loans to meet liquidity shortages.

Interest rate risk

The Group is subject to interest rate risk. Bank interest bearing loans are charged at variable interest rates within the reporting period. The Group is subject to the risk of adverse changes in the interest rates charged by the banks when these loans are refinanced.

Credit risks

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of accounts receivable. The Group conducts credit evaluations of its customers, and generally does not require collateral or other security from them. The Group evaluates its collection experience and long outstanding balances to determine the need for an allowance for doubtful accounts. The Group conducts periodic reviews of the financial condition and payment practices of its customers to minimize collection risk on accounts receivable.

The following table sets forth a summary of single customers who represented 10% or more of the Group's total revenue.

	For the Nine Months Ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Percentage of the Group's total revenue		
Customer A	*	18%
Total	—	18%

* Represent percentage less than 10%

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16. CONCENTRATION OF RISK (cont.)

The following table sets forth a summary of single customers who represented 10% or more of the Group's total accounts receivable:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Percentage of the Group's accounts receivable		

Customer B	20%	*
Total	20%	—

The following table sets forth a summary of single suppliers who represented 10% or more of the Group's total purchase:

	For the Nine Months Ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Percentage of the Group's purchase		
Supplier A	21%	17%
Supplier B	20%	22%
Supplier C	17%	21%
Total	58%	60%

The following table sets forth a summary of single suppliers who represented 10% or more of the Group's total accounts payable:

	As of September 30, 2023	As of December 31, 2022
	(Unaudited)	
Percentage of the Group's accounts payable		
Supplier B	32%	18%
Supplier D	*%	10%
Supplier E	10%	—
Total	42%	28%

17. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Group's significant unrecognized capital expenditures contractual commitments are as follows:

	September 30, 2023	December 31, 2022
	(Unaudited)	
Acquisition of property, plant and equipment	\$ 808,335	\$ 1,077,759
Access to software license services	319,462	351,316
Total	\$ 1,127,797	\$ 1,429,075

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17. COMMITMENTS AND CONTINGENCIES (cont.)

Contingencies

In the ordinary course of business, the Group may be subject to legal proceedings regarding contractual and employment relationships and a variety of other matters. The Group records contingent liabilities resulting from such claims, when a loss is assessed to be probable, and the amount of the loss is reasonably estimable. In the opinion of management, there were no material pending or threatened claims and litigation as of the issuance date of these consolidated financial statements.

18. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through the date of issuance of the consolidated financial statements, and it did not identify any subsequent events with material financial impact on the Group's consolidated financial statements.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of directors and officers

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The CayCo Listing Articles permit indemnification of officers and directors from and against all actions, proceedings, costs, charges, losses, damages and liabilities which they or any of them, their or any of their personal representatives, incurred or sustained by them, other than by reason of their own dishonesty, willful default or fraud, in or about the conduct of CayCo's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of their duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning CayCo or its affairs in any court whether in the Cayman Islands or elsewhere.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling our company under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 21. Exhibits and Financial Statements Schedules

(a) Exhibits.

Exhibit Number	Description
2.1*#	Business Combination Agreement, dated as of December 22, 2023, by and among Chenghe Acquisition I Co., FST Corp., FST Merger Ltd., and Femco Steel Technology Co., Ltd. (included as Annex A to the Registration Statement/Proxy Statement).
2.2*	Plan of Merger (included as Annex A-1 to the Registration Statement/Proxy Statement).
3.1*	Memorandum and Articles of Association of FST Corp.
3.2*	Form of Amended and Restated Memorandum and Articles of Association of FST Corp. (included as Annex B to Registration Statement/Proxy Statement).
3.3*	Amended and Restated Memorandum and Articles of Association of Chenghe Acquisition I Co. (included as Annex G to the Registration Statement/Proxy Statement).
3.4*	Form of Second Amended and Restated Memorandum and Articles of Association of Chenghe Acquisition I Co. (included as Annex G to the Registration Statement/Proxy Statement)
4.1*	Specimen Unit Certificate of Chenghe Acquisition I Co.
4.2*	Specimen Class A Ordinary Share Certificate of Chenghe Acquisition I Co.
4.3*	Specimen Warrant Certificate of Chenghe Acquisition I Co.
4.4*	Warrant Agreement, dated as of January 24, 2022, by and between Chenghe Acquisition I Co. and Continental Stock Transfer & Trust Company.
4.5*	Specimen Ordinary Share Certificate of FST Corp.
4.6*	Specimen Warrant Certificate of FST Corp.
4.7*	Form of Assignment and Assumption Agreement by and among Chenghe Acquisition I Co., FST Corp. and Continental Stock Transfer & Trust Company.
5.1*	Opinion of Ross Law Group, PLLC as to the validity of the warrants of FST Corp. to be issued.
5.2*	Opinion of Ogier as to the validity of the ordinary shares of FST Corp. to be issued.
10.1*	Investment Management Trust Agreement, dated as of January 24, 2022, by and between Chenghe

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Exhibit Number	Description
10.2*	Sponsor Support Agreement, dated as of December 22, 2023, by and among Femco Steel Technology Co., Ltd., Chenghe Acquisition I Co., Chenghe Investment I Limited and LatAmGrowth Sponsor LLC (included as Annex C to the Registration Statement/Proxy Statement).
10.3*#	Company Shareholder Support Agreement, dated as of December 22, 2023, by and among Femco Steel Technology Co., Ltd., FST Corp., Chenghe Acquisition I Co., and certain shareholders of Femco Steel Technology Co., Ltd. and certain shareholders of FST Corp. named therein (included as Annex D to the Registration Statement/Proxy Statement).
10.4*	Form of Lock-Up Agreement by and among FST Corp., Chenghe Investment I Limited and certain other parties thereto (included as Annex E to the Registration Statement/Proxy Statement).
10.5*	Form of Investor Rights Agreement by and among FST Corp., Femco Steel Technology Co., Ltd., Chenghe Acquisition I Co., Chenghe Investment I Limited and certain other parties thereto (included as Annex F to the Registration Statement/Proxy Statement).
10.6	Sales Sub-Contract, dated December 29, 2023, between FEMCO Steel Technology Co., Ltd. and China Steel Corporation (EN Translation).
10.7	Lease Agreement, dated December 20, 2023, between FEMCO Steel Technology Co., Ltd. and Far East Machinery Co., Ltd. (EN Translation).
21.1*	List of subsidiaries of FST Corp.
23.1*	Consent of Enrome LLP, an independent registered accounting firm for Femco Steel Technology Co., Ltd.
23.2*	Consent of Marcum LLP, an independent registered accounting firm for Chenghe Acquisition I Co.
23.3*	Consent of Ross Law Group, PLLC (included in Exhibit 5.1).
23.4*	Consent of Ogier (included in Exhibit 5.2).
99.1*	Form of Proxy for Extraordinary General Meeting.
99.[X]*	Consent of [Name] to be named as a Director.
107*	Filing Fee Table

* To be filed by Amendment

Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

Item 22. Undertakings

The undersigned registrant hereby undertakes:

- To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;
- To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
- To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A of Form 20-F at the start of any delayed offering or throughout a continuous

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furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (1)(d) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements.

That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

The registrant undertakes that every prospectus: (a) that is filed pursuant to the immediately preceding paragraph, or (b) that purports to meet the requirements of Section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes (i) to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means; and (ii) to arrange or provide for a facility in the U.S. for the purpose of responding to such requests. The undertaking in subparagraph (i) above includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in [•], Taiwan on the [•] day of [•], 2024.

FST Corp.

By: _____
Name: _____
Title: _____

POWER OF ATTORNEY

The person whose signature appears below constitutes and appoints [•], acting alone, as an attorney-in-fact with full power of substitution for him in any and all capacities to do any and all acts and all things and to execute any and all instruments that said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the “Securities Act”), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the “Shares”), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-4 (the “Registration Statement”) to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following person in the capacities and on the dates indicated:

Signature	Title	Date
_____	Director Nominee	_____

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SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of FST Corp., has signed this registration statement or amendment thereto in the City of New York, State of New York, on [•], 2024.

[•]
By: _____
Name: _____
Title: _____

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