UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934

For the month of: November 2021

Commission File Number: 001-38544

NAKED BRAND GROUP LIMITED

(Translation of registrant's name into English)

Level 61, MLC Centre, 25 Martin Place, Sydney, NSW 2000, Australia
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Item 1.01 Entry into a Material Definitive Agreement

On November 5, 2021, Naked Brand Group Limited ("NBG") entered into a definitive stock purchase agreement providing for NBG to complete a combination (the "Combination") with Cenntro Automotive Group Limited, a Hong Kong company ("CAG HK"), Cenntro Automotive Corporation, a Delaware corporation ("CAC"), and Cenntro Electric Group, Inc., a Delaware corporation ("CEG" and, collectively with CAG HK and CAC, "Cenntro"). Concurrently with the execution of the definitive stock purchase agreement for the Combination, NBG entered into a definitive loan agreement for, and funded, a US$30 million secured loan (the "Loan") to Cenntro.

Cenntro is a designer and manufacturer of electric light- and medium-duty commercial vehicles ("ECVs"). Cenntro's purpose-built ECVs are designed to serve a variety of corporate and governmental organizations in support of city services, last-mile delivery, and other commercial applications. As of June 30, 2021, Cenntro had sold or put into service more than 3,100 units of its first ECV model, the Metro®, in 16 countries across North America, Europe, and Asia. The Metro® has been driven over seven million miles by commercial end-users in China alone. Cenntro plans to introduce four new ECV models to serve the light- and medium-duty market by the end of 2021. Its mission is to leverage its technological and research and development capabilities in areas such as vehicle design, digital component development, vehicle control software, and "smart" driving to become a technology leader in the ECV market.

In addition, NBG has entered into definitive agreements for (i) an "at-the-market" offering, through Maxim Group, LLC ("Maxim"), of up to US$300 million of NBG ordinary shares (the "ATM Offering") and (ii) a private placement to certain accredited investors of US$30 million of NBG ordinary shares and warrants to purchase NBG ordinary shares (the "Private Placement").

Attached to this report is additional information relating to the Combination and Cenntro, including risk factors relating to the Combination and Cenntro, Cenntro's management's discussion and analysis of financial condition and results of operations, a description of Cenntro's business, pro forma combined financial information, and the consolidated financial statements of Cenntro. Shareholders of NBG and other interested parties are encouraged to carefully read this report, including the information attached hereto and the exhibits hereto, because it contains important information about the Combination and Cenntro.

The Combination

Acquisition Agreement

On November 5, 2021, NBG entered into a Stock Purchase Agreement (the "Acquisition Agreement") with Cenntro Automotive Group Limited, a Cayman Islands company ("CAG"), and CAG HK, CAC, and CEG, each a wholly owned subsidiary of CAG.

Pursuant to the Acquisition Agreement, NBG will purchase from CAG, and CAG will sell to NBG (the "Acquisition"), (i) all of the issued and outstanding ordinary shares of CAG HK (the "CAG HK Shares"), (ii) all of the issued and outstanding shares of common stock, par value $0.001 per share, of CAC (the "CAC Shares"), and (iii) all of the issued and outstanding shares of common stock, par value $0.01 per share, of CEG (the "CEG Shares" and, together with the CAG HK Shares and the CAC Shares, the "Cenntro Shares").

The consummation of the Acquisition (the "Closing") is expected to occur by December 31, 2021, after the required approval by the shareholders of NBG and CAG and the satisfaction or waiver of the other closing conditions set forth in the Acquisition Agreement, including the condition that NBG have cash of at least US$282 million and liabilities of no more than $10 million in the aggregate immediately prior to the Closing, and that The Nasdaq Stock Market LLC ("Nasdaq") have approved the initial listing application in connection with the Acquisition with respect to the Acquisition Shares (as defined below) and the Acquisition Shares have been approved for listing on Nasdaq as of the Closing.

There can be no assurance, however, that the closing conditions set forth in the Acquisition Agreement will be satisfied or waived. For instance, NBG may be unsuccessful in completing Additional Financings (as defined below) in order to satisfy the US$282 million minimum cash condition, Nasdaq may not approve the initial listing application, or the shareholders of NBG or CAG may not approve the Acquisition. Accordingly, there can be no assurance that the Acquisition will be consummated on the terms described in this report, or at all.

The Acquisition Agreement is attached as Exhibit 10.1 hereto and incorporated herein by reference. The following summary of the Acquisition Agreement does not purport to be complete and is qualified in its entirety by reference to such exhibit.

Consideration

The aggregate purchase price for the Cenntro Shares will be a number of NBG ordinary shares (the "Acquisition Shares") equal to seven-thirds (7/3) times (i) the number of fully diluted NBG ordinary shares outstanding immediately prior to the Closing (as determined in accordance with the Acquisition Agreement and described below), less (ii) the number of NBG ordinary shares underlying the Converted Options (as defined below). Promptly following the Closing, CAG will distribute the Acquisition Shares to the holders of capital stock of CAG in accordance with the distribution described in the Acquisition Agreement. Each CAG employee stock option outstanding immediately prior to the Closing will be converted into an option to purchase a number of NBG ordinary shares equal to the number of CAG shares for which such stock option was exercisable immediately prior to the Closing multiplied by the Exchange Ratio (as defined below) at an option exercise price equal to the exercise price per share of such stock option immediately prior to the Closing divided by the Exchange Ratio, as determined in accordance with the Acquisition Agreement (the "Converted Options"). Following the Closing, the Acquisition Shares will be registered for resale with the SEC by NBG.

The number of fully diluted NBG ordinary shares outstanding, as determined in accordance with the Acquisition Agreement, will be equal to the sum of (i) the number of issued and outstanding NBG ordinary shares (including restricted stock) immediately prior to the Closing, plus (ii) the number of NBG ordinary shares underlying restricted stock units and performance units and issuable upon the exercise, conversion, or other exchange of options, warrants, preferred shares, convertible debt securities, or similar rights issued outstanding immediately prior to the Closing or that a third party otherwise has the right to acquire. However, the number of fully diluted NBG ordinary shares outstanding will exclude (i) a number of NBG ordinary shares issued in up to $100 million of Additional Financings that corresponds to the amount of cash in excess of US$282 million held by NBG immediately prior to the closing divided by the volume weighted average price, based on the greater of (A) the additional financing price per share and (B) the additional financing floor price per share, of the NBG ordinary shares issued in such Additional Financings, as determined in accordance with the Acquisition Agreement, and (ii) the NBG ordinary shares issuable under the Incentive Award (as defined below) granted to Justin Davis-Rice, NBG's Executive Chairman and Chief Executive Officer.

The exchange ratio, as determined in accordance with the Acquisition Agreement, will be equal to (i) (a) the Acquisition Shares, less the number of Acquisition Shares distributable by CAG to the holders of its preferred shares in satisfaction of their liquidation preference, as determined in accordance with the Acquisition Agreement, multiplied by (b) the ratio of (I) the aggregate number of shares of CAG capital stock underlying the CAG employee stock options that are outstanding immediately prior to the Closing over (II) the fully diluted shares of CAG capital stock outstanding, divided by (ii) the aggregate number of shares of CAG capital stock underlying the CAG employee stock options that are outstanding immediately prior to the Closing (the "Exchange Ratio").

Tax Treatment

The parties intend that the Acquisition will qualify as a "reorganization" within the meaning of Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the Acquisition Agreement was adopted as a "plan of reorganization" within the meaning of Section 368 of the Code.

Representations and Warranties

The Acquisition Agreement contains representations and warranties of CAG relating to, among other things, organization and qualification; authority relative to the Acquisition Agreement; no conflicts; required filings and consents; capitalization; ownership of the Company Shares; and board, shareholder, and other necessary approvals.

The Acquisition Agreement also contains representations and warranties of Cenntro relating to, among other things, organization and qualification; subsidiaries; capitalization; authority relative to the Acquisition Agreement; no conflicts; required filings and consents; compliance with laws; Cenntro financial statements; no undisclosed liabilities; absence of certain changes or events; absence of litigation; employee benefit plans; labor and employment matters; restrictions on business activities; title to property; intellectual property; taxes; environmental matters; agreements; insurance; governmental actions and filings; customers and suppliers; inventory; anti-corruption laws; interested party transactions; board, shareholder, and other necessary approvals; and brokers.

The Acquisition Agreement contains representations and warranties of NBG relating to, among other things, organization and qualification; subsidiaries; capitalization; authority to enter into and consummate to the Acquisition Agreement; absence of conflicts, required filings and consents; compliance with laws; financial statements; absence of undisclosed liabilities; absence of certain changes or events; absence of litigation; employee benefit plans; labor matters; restrictions on business activities; title to property; intellectual property; taxes; environmental matters; agreements; insurance; governmental actions and filings; anti-corruption laws; interested party transactions; listing of securities; board, shareholder, and other necessary approvals; and brokers.

Covenants

The Acquisition Agreement includes customary covenants of the parties with respect to business operations prior to consummation of the Acquisition and efforts to satisfy conditions to the consummation of the Acquisition. The Acquisition Agreement also contains additional customary covenants of the parties, as well as the following:

- As promptly as practicable, NBG will prepare and file with ASIC a notice of meeting for the purpose of convening an extraordinary general meeting of the holders of NBG's ordinary shares to consider and, if thought fit, vote in favor of (A) an ordinary resolution of shareholders to approve the acquisitions of relevant interests by way of the issuance of the Acquisition Shares to CAG and, to the extent required, the distribution of those shares by CAG to the holders of capital stock of CAG, and by way of the lock-up agreements described below, for the purposes of Item 7 of Section 611 of the Australian Corporations Act and for all other purposes, (B) a special resolution of shareholders to approve the change of NBG's name from "Naked Brand Group Limited" to "Cenntro Electric Group Limited", (C) the approval by special resolution of shareholders to approve amendments to NBG's constitution to permit three staggered classes of directors, (D) an ordinary resolution of shareholders to approve the consolidation of NBG's share capital at a ratio to be mutually agreed by the parties, (E) an ordinary resolution of shareholders to approve the election of directors identified pursuant to the Acquisition Agreement, and (F) resolutions of shareholders to approve any other proposals reasonably agreed by NBG and CAG to be necessary or appropriate in connection with the transactions contemplated by the Acquisition Agreement (the "NBG Shareholder Matters").

- NBG will take all such action within its power as may be necessary or appropriate such that, immediately following the Closing Date, the board of directors of NBG will consist of up to five directors, which will initially include one director nominee to be designated by NBG, in its sole discretion, prior to the Closing, and four director nominees to be designated by the Wang Parties (as defined below), in their sole discretion, prior to the Closing. In addition, NBG will take all such action within its power as may be necessary or appropriate such that, immediately following the Closing Date, the current executive officers of Cenntro will be the initial executive officers of NBG after the Acquisition, as follows: Peter Wang, Chief Executive Officer; Edmond Cheng, Chief Financial Officer; Wei Zhong, Chief Technology Officer; and Marianne McInerney, Chief Marketing Officer.

- NBG will completely divest itself of the business operated through FOH Online Corp., a wholly owned subsidiary of NBG.

- NBG, CAG and Cenntro will cooperate to establish an equity incentive plan and an employee stock purchase plan.

- At any time on or prior to the Closing Date, NBG may consummate the sale of newly issued NBG ordinary shares or NBG ordinary share equivalents, for cash, in one or more public or private additional financings; provided that the additional financings will not exceed gross proceeds of US$100 million in the aggregate, on such terms as NBG, after consultation with CAG, will determine, in its reasonable discretion (an "Additional Financing"); and provided, further, that all such Additional Financings meet certain other conditions as set forth in the Acquisition Agreement.

Conditions to Closing

General Conditions. The consummation of the Acquisition contemplated by the Acquisition Agreement is conditioned upon, among other things:

- Either (i) CAG will have received a written no objection notification under Foreign Acquisitions and Takeovers Act 1975 (Cth) of the Commonwealth of Australia, and any regulations made under it ("FATA") from the Australian Commonwealth Treasurer (or its delegate) in respect of CAG and certain holders of the capital stock of CAG acquiring the Acquisition Shares in accordance with this Agreement, either on an unconditional basis or subject to such conditions acceptable to CAG (acting reasonably and in good faith), or (ii) the Australian Commonwealth Treasurer, by reason of lapse of time, will no longer be empowered to make an order under the FATA in respect of the acquisition of the Acquisition Shares by CAG and certain holders of the capital stock of CAG in the manner contemplated by the Acquisition Agreement on grounds that the Australian Commonwealth Treasurer was otherwise empowered to make under the FATA.

- The Acquisition will have been (i) approved by the prior written consent of China Logistic Investment Holding (5) Limited and (ii) approved and authorized by holders of issued and outstanding shares of CAG capital stock, which carry, in the aggregate, not less than two-thirds of the total voting power of all the issued and outstanding shares of CAG.

- The NBG Shareholder Matters will have been approved by the required affirmative vote of the shareholders of NBG.

- No governmental authority will have enacted, issued, promulgated, enforced or entered any law, rule, regulation, award, injunction, judgment, regulatory or supervisory mandate, order, writ, decree or ruling which is then in effect and has the effect of making the Acquisition illegal or otherwise prohibiting consummation of the Acquisition.

- All specified waiting periods (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), will have expired or been terminated.

- The initial listing application filed with Nasdaq in connection with the transactions contemplated by the Acquisition Agreement with respect to the Acquisition Shares will have been approved and the Acquisition Shares will have been approved for listing on Nasdaq, as of the date of the Closing.

- NBG will have entered into the registration rights agreement, as described below.

NBG's Conditions to Closing. The obligations of NBG to consummate the Acquisition are also conditioned upon, among other things:

- The representations and warranties of CAG and Cenntro will be true and correct as of the date of the Closing (subject to certain bring-down standards).

- CAG and Cenntro will have performed or complied in all material respects with all agreements and covenants required by the Acquisition Agreement to be performed or complied with by them on or prior to the date of the Closing.

- No material adverse effect with respect to Cenntro, taken as a whole, will have occurred between the date of the Acquisition Agreement and the Closing.

- No litigation, suit, claim, action, proceeding or investigation will be pending or threatened by any governmental entity which is reasonably likely to prevent consummation of the transactions contemplated by the Acquisition Agreement, cause any of the transactions contemplated by the Acquisition Agreement to be rescinded following consummation, or affect materially and adversely the right of Cenntro to own, operate, or control Cenntro or any of the assets and operations of Cenntro following the Acquisition and no award, injunction, judgment, regulatory or supervisory mandate, order, writ, decree or ruling issued by a governmental authority to any such effect will be in effect.

- CAG will have obtained certain consents and approvals described in the Acquisition Agreement.

CAG's and Cenntro's Conditions to Closing. The obligations of CAG and Cenntro to consummate the Acquisition are also conditioned upon, among other things:

- The representations and warranties of the representations and warranties of NBG will be true and correct as of the date of the Closing (subject to certain bring-down standards).

- NBG will have performed or complied in all material respects with all agreements and covenants required by the Acquisition Agreement to be performed or complied with by it on or prior to the date of the Closing.

- No material adverse effect with respect to NBG and its subsidiaries, taken as a whole, will have occurred between the date of the Acquisition Agreement and the Closing.

- No litigation, suit, claim, action, proceeding or investigation will be pending or threatened by any governmental entity which is reasonably likely to prevent consummation of the transactions contemplated by the Acquisition Agreement, cause any of the transactions contemplated by the Acquisition Agreement to be rescinded following consummation, or affect materially and adversely or otherwise encumber the title of the Acquisition Shares to be issued to CAG by NBG in connection with the Acquisition and no award, injunction, judgment, regulatory or supervisory mandate, order, writ, decree or ruling issued by a governmental authority to any such effect will be in effect.

- NBG will have obtained certain consents and approvals described in the Acquisition Agreement.

- NBG will have been in compliance in all material respects with the reporting requirements under the Securities Act of 1933, as amended ("Securities Act") and the Securities Exchange Act of 1934, as amended ("Exchange Act") between the date of the Acquisition Agreement and the Closing.

- NBG's chief executive officer and chief financial officer will have resigned from all of their positions and offices with NBG.

- NBG will have completed the divestiture of the business operated through FOH Online Corp., in compliance with the terms and conditions of the Acquisition Agreement.

- NBG will have cash of at least US$282 million immediately prior to the Closing.

- The five-day average trading price for the five consecutive trading days ending on (and inclusive of) the date of the Closing (after giving effect to the consolidation of share capital of NBG completed by NBG Shareholder Matters) will not be less than US$5.00 per NBG ordinary share.

- NBG and its subsidiaries will not have any liabilities in excess of US$10 million in the aggregate, other than certain non-monetary or contingent liabilities described in the Acquisition Agreement.

Waivers

At any time prior to the Closing, any party may (a) extend the time for the performance of any obligation or other act of any other party, (b) waive any inaccuracy in the representations and warranties of any other party contained in the Acquisition Agreement or in any document delivered pursuant thereto, or (c) waive compliance with any agreement of any other party or any condition to its own obligations contained herein. Any such extension or waiver will be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby. Delay in exercising or failure to assert any right under the Acquisition Agreement will not constitute a waiver of such right. Any waiver of any term or condition will not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of the Acquisition Agreement.

Termination

The Acquisition Agreement may be terminated at any time prior to the Closing:

- by mutual written consent of NBG and CAG at any time;

- by either NBG or CAG if the Closing has not occurred on or before May 5, 2022 (the "Outside Date"); provided that the right to terminate the Acquisition Agreement will not be available to any party whose action or failure to act has been a principal cause of or primarily resulted in the failure of the Closing to occur on or before such date and such action or failure to act constitutes a breach of the Acquisition Agreement;

- by either NBG or CAG if any governmental authority will have enacted, issued, promulgated, enforced or entered any award, injunction, judgment, regulatory or supervisory mandate, order, writ, decree or ruling which has become final and non-appealable and has the effect of permanently making consummation of the Acquisition illegal or otherwise preventing or prohibiting consummation of the Acquisition;

- by either NBG or CAG upon a material breach of any covenant or agreement set forth in the Acquisition Agreement on the part of CAG or Cenntro or NBG, as applicable, or if any representation or warranty of CAG or Cenntro or NBG, as applicable, has become inaccurate or untrue such that the conditions to closing would not be satisfied as of the time of such breach or as of the time such representation or warranty having become untrue, and if curable, has not cured by the earlier of 30 days after notice of such breach and the Outside Date; provided that the terminating party is itself not in material breach of the Acquisition Agreement that has not been cured;

- by NBG, if CAG fails to obtain the requisite approval of the Acquisition by CAG's shareholders within 20 business days following the date of the Acquisition Agreement; or

- by CAG or NBG, if the NBG Shareholder Matters fail to receive the requisite vote for approval at the extraordinary general meeting called for the purpose of voting in favor of the NBG Shareholder Matters.

Independent Expert

NBG has commissioned an independent expert to provide a report as to whether the Acquisition is fair and reasonable to the shareholders of NBG. As of the date of this report, the independent expert has not provided its final report to NBG. There can be no assurance that the independent expert will find that the Acquisition is both fair and reasonable to NBG shareholders, especially in light of the uncertainties in valuing an emerging company like Cenntro, which is in an early stage of development and operates in an industry with numerous other early stage participants.

Interests of Management

Certain of NBG's executive officers have interests in the Acquisition that are different from, or in addition to, those of other shareholders generally. NBG's directors were aware of and considered these interests, among other matters, in evaluating the Acquisition and in recommending it to shareholders. These interests include, among other things, the fact that:

Phantom Warrants. In January 2021, NBG's board of directors granted to an entity associated with Justin Davis-Rice, NBG's Executive Chairman and Chief Executive Officer, phantom warrants (the "Phantom Warrants") with a strike price equal to US$0.37 (the 20-day volume-weighted average price of the NBG ordinary shares). The Phantom Warrants vest in three tranches, with the first tranche having vested immediately, the second tranche having vested on July 21, 2021 and the third tranche vesting on January 21, 2022. Each tranche will cover 1.5% of the outstanding NBG ordinary shares as of the date of vesting and will expire three years after its vesting date. Upon exercise, NBG will net cash settle the Phantom Warrants. The first and second tranches have both been exercised and settled. In order to facilitate the Combination, an agreement was reached for the payment due under the third tranche to be accelerated upon consummation of the Acquisition and for the NBG ordinary shares issued in the Acquisition to be included in the determination of the settlement amount. Based on the assumptions described in "—*Pro Forma Ownership*" below, NBG estimates that Mr. Davis-Rice's associated entity will receive approximately US$11.9 million in settlement of the Phantom Warrants. The actual amount may be substantially more or less than this estimate, depending on the future market price of the NBG ordinary shares and the number of NBG ordinary shares issued in the ATM Offering and the Private Placement.

Incentive Award. In September 2021, NBG's board of directors granted to an entity associated with Mr. Davis-Rice an incentive award (the "Incentive Award"), as follows: on the first, second and third anniversary of the grant of the award, Mr. Davis-Rice's associated entity will be granted ordinary shares with a market value equal to 1.5% of the increase in NBG's total market capitalization since the grant of the award. The market value of the ordinary shares to be issued and the total market capitalization will be determined based on the daily VWAP for NBG's ordinary shares for the five trading days immediately prior to the applicable anniversary. The payment of the Incentive Award will be accelerated in the event of a change in control of NBG (including the Combination with Cenntro), and the NBG ordinary shares issued in the change in control generally will be included in determining the total market capitalization (and will be so included in the case of the Combination with Cenntro). Based on the assumptions described in "*—Pro Forma Ownership*" below, NBG estimates that it will issue approximately 112.7 million NBG ordinary shares to Mr. Davis-Rice's associated entity upon settlement of the Incentive Award in connection with the Acquisition. The actual amount may be substantially more or less than this estimate, depending on the future market price of the NBG ordinary shares and the number of NBG ordinary shares issued in the Acquisition, the ATM Offering and the Private Placement.

Director Payments. Subject to approval by the shareholders of NBG, each of the non-executive directors of NBG will receive a cash payment of US$1,000,000 in connection with the Closing of the Acquisition.

Pro Forma Ownership

NBG estimates that Additional Financings in an aggregate amount of approximately US$50 million will be necessary in order to satisfy the US$282 million minimum cash condition. NBG intends to consummate the Private Placement and sell shares in the ATM Offering (each of which may qualify as an Additional Financing) in order to raise such amount. Assuming that NBG raises approximately $20 million in the ATM Offering and $30 million in the Private Placement, such that it has exactly US$282 million of cash immediately prior the Closing, and that the November 2021 Warrants (as defined below) are exercised through a Black-Scholes cashless exercise, and using (i) an assumed price per NBG ordinary share of US$0.6017 (the closing price as of October 29, 2021) for determining the number of NBG ordinary shares to be issued upon Black-Scholes cashless exercise of the Warrants and upon acceleration of the Incentive Award granted to Mr. Davis-Rice's associated entity, and (ii) an assumed sales price per NBG ordinary shares of US$0.5716 (95% of the closing price as of October 29, 2021) for sales in the ATM Offering, NBG estimates that it will issue approximately 35.0 million NBG ordinary shares in the ATM Offering, 133.2 million NBG ordinary shares in the Private Placement, 112.7 million NBG ordinary shares upon settlement of the Incentive Award, and 2,332.7 million NBG ordinary shares to CAG to be distributed to CAG's shareholders. In addition, there would be options and warrants to purchase 185.4 million NBG ordinary shares outstanding (including the Converted Options).

Immediately after the Closing, based on the assumptions set forth above, the shares issued to CAG to be distributed to CAG's shareholders would represent 62.9% of the fully-diluted NBG ordinary shares, the shares of NBG outstanding as of the date of this report would represent 24.5% of the fully-diluted NBG ordinary shares, the shares issued in the Private Placement would represent 3.6% of the fully-diluted NBG ordinary shares, the shares issued in the ATM Offering would represent 0.9% of the fully-diluted NBG ordinary shares, the shares issued to Mr. Davis-Rice's associated entity under the Incentive Award would represent 3.0% of the fully-diluted NBG ordinary shares, and the aggregate number of NBG ordinary shares underlying options and warrants (including the Converted Options) would represent 5.0% of the fully-diluted NBG ordinary shares.

The foregoing amounts are estimates only and depend to a high degree on assumptions about the future market price of NBG's ordinary shares, which is inherently unpredictable. The number of NBG ordinary shares issued in the transactions is likely to be different than, and may be substantially more or less than, the amounts set forth above, depending on the future market price of the NBG ordinary shares. However, because the number of NBG ordinary shares issuable to the shareholders of CAG generally is based on the number of fully diluted NBG ordinary shares outstanding immediately prior to the Closing, issuances of additional NBG ordinary shares in the ATM Offering or the Private Placement will dilute the existing shareholders of NBG, but not the shareholders of CAG, except to the extent NBG has in excess of US$282 million in cash at the Closing that was raised in Additional Financings, subject to certain requirements detailed in the Acquisition Agreement. The NBG ordinary shares issued to Mr. Davis-Rice under his Incentive Award will dilute both the existing shareholders of NBG and the shareholders of CAG.

Loan Agreement

In connection with the execution of the Acquisition Agreement, the parties entered into a loan agreement (the "Loan Agreement") pursuant to which NBG made a loan to Cenntro in an aggregate principal amount of US$30 million (the "Loan"). The aggregate principal amount of the Loan and accrued and unpaid interest will mature on the date that is 90 calendar days after the termination of the Acquisition Agreement (the "Maturity Date") or 90 days after written demand for payment if the Acquisition is consummated. Interest on the outstanding principal amount of the Loan will accrue at the rate of 10% per annum, payable on the Maturity Date. The Loan is secured by substantially all of the assets of Cenntro and, upon the reasonable request of NBG, the subsidiaries of Cenntro.

The Loan Agreement is attached as Exhibit 10.2 hereto and incorporated herein by reference. The foregoing description of the Loan Agreement does not purport to be complete and is qualified in its entirety by reference to such exhibit.

Support Agreements and Statements of Intention

In connection with the execution of the Acquisition Agreement, certain shareholders of CAG, who hold sufficient ordinary and preferred shares of CAG to approve the Acquisition, have entered into support agreements pursuant to which they have agreed, among other things, to execute written consents to approve the Acquisition. In connection with the execution of the Acquisition Agreement, certain shareholders of NBG have delivered statements of intention to vote in favor of the Acquisition at a meeting called to approve the Acquisition by the NBG shareholders.

The form of support agreement is attached as Exhibit 10.3 hereto and incorporated herein by reference. The foregoing description of the form of support agreement does not purport to be complete and is qualified in its entirety by reference to such exhibits.

Lockup Agreements

In connection with the execution of the Acquisition Agreement, certain shareholders of CAG entered into lock-up agreements with NBG, pursuant to which they agreed not to transfer the NBG ordinary shares beneficially owned or owned of record by them for a period of 180 days after consummation of the Acquisition. The book-entry positions evidencing the Acquisition Shares issued under the Acquisition Agreement will each include prominent disclosure or bear a prominent legend evidencing the fact that such shares are subject to such lock-up provisions.

The form of lock-up agreement is attached as Exhibit 10.4 hereto and incorporated herein by reference. The foregoing description of the form of lock-up agreement does not purport to be complete and is qualified in its entirety by reference to such exhibits.

Relationship Agreement

In connection with the execution of the Acquisition Agreement, NBG and each of Peter Wang, Cenntro Enterprise Limited and Trendway Capital Limited, each a company ultimately owned by Peter Wang (together, the "Wang Parties"), entered into a relationship agreement. In accordance with the Acquisition Agreement, on Closing, NBG's board of directors will consist of up to five directors, which will initially include Mr. Davis-Rice as the director nominee designated by NBG, and Peter Wang, Chris Thorne, Joe Tong and Simon Charles Howard Tripp as the directors nominated by the Wang Parties (the "Nominated Directors"). Pursuant to the relationship agreement, in the event that any of the Nominated Directors are removed as a director by NBG's members pursuant to section 203D of the Australian Corporations Act, Mr. Wang may give notice in writing to NBG of the person that the Wang Parties wish to nominate in place of that previous Nominated Director, together with their signed consent to act, and NBG must ensure such individual is appointed as a Nominated Director of the same class of director as the previous nominee within two business days of receipt of such notice and signed consent to act, for so long as the Wang Parties collectively beneficially own at least 10% of the issued and outstanding NBG ordinary shares.

The form of relationship agreement is attached as Exhibit 10.5 and incorporated herein by reference. The foregoing description of the relationship agreement does not purport to be complete and is qualified in its entirety by reference to such exhibit.

Registration Rights Agreement

The shareholders of CAG, holders of secured convertible notes of CAG and certain of the directors and officers of NBG will enter into a registration rights agreement pursuant to which they will be granted certain rights to have registered for resale under the Securities Act the NBG ordinary shares received by them in the Acquisition (in the case of the shareholders of CAG and holders of secured convertible notes of CAG) or granted to them as compensation (in the case of the directors and officers of NBG), subject to certain conditions set forth therein. Pursuant to the registration rights agreement, NBG will be required to file a registration statement registering the resale of the securities within five business days following the completion of the Acquisition.

The form of registration rights agreement is attached as Exhibit 10.6 hereto and incorporated herein by reference. The foregoing description of the registration rights agreement does not purport to be complete and is qualified in its entirety by reference to such exhibit.

ATM Offering

On November 8, 2021, NBG and Maxim entered into an equity distribution agreement (the "Equity Distribution Agreement") for the ATM Offering, pursuant to which NBG may sell, from time to time, through Maxim, NBG ordinary shares having an aggregate offering price of up to US$300 million.

Sales of the NBG ordinary shares, if any, will be made by any method permitted that is deemed an "at the market offering," as defined in Rule 415 under the Securities Act. Maxim is not required to sell any specific amount, but will act as NBG's exclusive sales agent using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between Maxim and NBG. NBG has no obligation to sell any of NBG ordinary shares under the Equity Distribution Agreement and may at any time suspend solicitation and offers under the Equity Distribution Agreement.

As compensation for its services, NBG agreed to pay to Maxim a commission of 3% of the gross proceeds received by NBG from the sales of NBG ordinary shares under the Equity Distribution Agreement. NBG also agreed to reimburse Maxim up to US$30,000 for its costs and expenses relating to the Equity Distribution Agreement, including legal expenses.

The Equity Distribution Agreement contains customary representations, warranties and covenants of NBG and is subject to customary closing conditions. In addition, NBG and Maxim have agreed to indemnify each other against certain liabilities, including indemnification of Maxim by NBG for liabilities arising from breaches of the representations, warranties, or obligations contained in the Equity Distribution Agreement.

NBG is party to an existing equity distribution agreement (the "February EDA") with Maxim, dated as of February 24, 2021, pursuant to which NBG may sell from time to time, through Maxim, NBG ordinary shares having an aggregate offering price of up to US$99.5 million. Pursuant to the February EDA, through the date of this report, NBG has sold an aggregate of approximately 72.1 million NBG ordinary shares for gross proceeds of approximately US$70.8 million and net proceeds of approximately US$68.6 million, after payment to Maxim of an aggregate of approximately US$2.1 million in commissions. In connection with the execution of the Equity Distribution Agreement, NBG terminated the offering under the February EDA.

The Equity Distribution Agreement is attached as Exhibit 10.7 hereto and is incorporated herein by reference. The foregoing description of the Equity Distribution Agreement does not purport to be complete and is qualified in its entirety by reference to such exhibit. A copy of the opinion of Mills Oakley relating to the legality of the issuance and sale of NBG ordinary shares is attached as Exhibit 5.1 hereto.

The NBG ordinary shares are being offered pursuant to a Registration Statement on Form F-3 (File No. 333-256258), filed by the Company on May 18, 2021, which became effective automatically upon filing, and a prospectus supplement for the offer and sale of NBG ordinary shares in the at-the-market offering to be filed on November 8, 2021.

This Report of Foreign Private Issuer on Form 6-K shall not constitute an offer to sell or the solicitation of an offer to buy any NBG ordinary shares under the Equity Distribution Agreement, nor shall there be any sale of such NBG ordinary shares in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Private Placement

On November 5, 2021, NBG entered into a Securities Purchase Agreement (the "SPA") for the Private Placement with certain accredited investors (the "Investors"), pursuant to which NBG will sell to the Investors an aggregate of 49,900,200 NBG ordinary shares, at a purchase price of US$0.6012 per share, for an aggregate purchase price of US$30 million. In addition, each Investor will receive (i) a five-year warrant (a "Five-Year Warrant") to purchase a number of NBG ordinary shares equal to the number of NBG ordinary shares for which such Investor subscribed, or 49,900,200 shares (the "Five-Year Warrant Shares") and (ii) a one-year warrant (a "One-Year Warrant," and each of the Five-Year Warrant and One-Year Warrant, a "Warrant") to purchase a number of NBG ordinary shares equal to 0.65 multiplied by the number of NBG ordinary shares for which such Investor subscribed, or 32,435,130 (the "One-Year Warrant Shares" and, together with the Five-Year Warrant Shares, the "Warrant Shares"). The Warrants have an exercise price of US$0.7348 per share ("Exercise Price").

The sale of NBG ordinary shares and Warrants pursuant to the SPA is expected to close by November 12, 2021, subject to customary closing conditions, including the review and non-objection by Nasdaq. If NBG does not receive the non-objection from Nasdaq by November 20, 2021, the market price of NBG ordinary shares closes below US$0.401, or the closing under the SPA does not occur on or prior to November 29, 2021, the Investors have the right to terminate the SPA.

The SPA

The SPA includes certain customary representations and warranties and covenants of NBG and the Investors. In addition, NBG has certain customary indemnification obligations under the SPA. In addition, the SPA provides:

Beneficial Ownership Limit. Notwithstanding the Investors' agreement to purchase NBG ordinary shares, the SPA provides that no Investor will purchase securities to the extent that such purchase will result in the Investor beneficially owning in excess of 9.9% of the then issued and outstanding NBG ordinary shares on the date of the closing under the SPA (the "Beneficial Ownership Limit").

Ownership Requirement. The Investors are required to own at least the number of NBG ordinary shares purchased on the date of the closing under the SPA through the date of NBG's extraordinary general meeting to be called for the purpose of voting in favor of the NBG Shareholder Matters.

Prospectus Supplement. NBG agreed to file a prospectus supplement to the automatic shelf registration statement on Form F-3 (File No. 333-256258) which will offer for resale the NBG ordinary shares sold to the Investors (including the Warrant Shares, in an amount equal to 150% of the number of Warrant Shares initially issuable upon cash exercise of the Warrants).

The SPA is attached as Exhibit 10.8 hereto and is incorporated herein by reference. The foregoing description of the SPA does not purport to be complete and is qualified in its entirety by reference to such exhibit.

The Warrants

The Warrants expire on the date that is the earlier of: (i) one year (for the One-Year Warrants) or five years (for the Five-Year Warrants) from the issuance date or (ii) the date that the Acquisition is completed. In addition, the Warrants provide:

Net Share Cashless Exercise. The Warrants can be exercised on a cashless, net share exercise basis at any time and from time to time commencing six months after the date of issuance.

Black-Scholes Cashless Exercise. At any time, the Warrants may be exercised on a cashless basis for a number of Warrant Shares equal to the Black-Scholes value per Warrant Share, multiplied by the number of NBG ordinary shares as to which the Warrant is being exercised, divided by the Closing Bid Price (defined below) as of two trading days prior to the exercise date (but not less than the floor price specified in the Warrants). For this purpose, the Black-Scholes value per Warrant Share is calculated using an underlying price of US$0.701; a risk-free interest rate corresponding to the U.S. Treasury rate; a strike price equal to the Exercise Price; an expected volatility equal to 135%; and a deemed remaining term of five years (regardless of the actual remaining term of the Warrant). Accordingly, the Black-Scholes value calculation will not change as a result of future changes in the stock price, risk-free interest rate, volatility or remaining life of the Warrants. As a result of the Black-Scholes cashless exercise provision, the number of Ordinary Shares issued upon exercise of the Warrants may substantially exceed 82,335,329 NBG ordinary shares. In no event, however, will the number of NBG ordinary shares issued upon exercise of the Warrants exceed 247,005,988 shares.

Automatic Exercise. Immediately prior to the consummation of the Acquisition, the Warrants will automatically be exercised pursuant to a Black-Scholes cashless exercise.

Beneficial Ownership Limit. Except for an automatic exercise of the Warrants as described above, the Warrants may not be exercised to the extent the holder or any of its affiliates would beneficially own more than the Beneficial Ownership Limit after giving effect to such exercise.

Structural Anti-Dilution. The Exercise Price and number of Warrant Shares covered by the Warrants are subject to adjustment for stock splits, stock combinations and certain other transactions affecting NBG's share capital as a whole.

The form of warrant is as Exhibit 4.1 hereto and is incorporated herein by reference. The foregoing description of the Warrants does not purport to be complete and is qualified in its entirety by reference to such exhibit.

Use of Proceeds

NBG intends to use the net proceeds from the sale of the securities in the Private Placement and from the sale of shares in the ATM Offering to meet the US$282 million minimum cash closing condition for the Acquisition, after payment of transaction fees and expenses incurred by NBG. NBG believes that its available cash after the Acquisition, including a portion of the proceeds from the Private Placement and the ATM Offering, will be used as working capital for Cenntro's business and for other general corporate purposes. If the Acquisition is not consummated, NBG intends to use the net proceeds from the Private Placement and ATM Offering for other strategic acquisitions of businesses or technologies, as well as for working capital and other general corporate purposes.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 1.01 relating to the Acquisition and the Private Placement is incorporated by reference herein.

The NBG ordinary shares issuable in the Acquisition are being offered and sold pursuant to the exemption provided by Section 4(a)(2) and Rule 506(b) of Regulation D thereunder, for transactions not involving any public offering, and pursuant to the exemption provided by Regulation S for offers and sales outside the U.S. The NBG ordinary shares and Warrants issuable in the Private Placement are being offered and sold pursuant to the exemption provided by Section 4(a)(2), for transactions not involving any public offering.

Item 7.01 Regulation FD Disclosure

Attached as Exhibit 99.1 hereto is a press release issued by NBG announcing the execution of the Acquisition Agreement, the commencement of the ATM Offering and the signing of the SPA for the Private Placement.

The information set forth below under this Item 7.01, including the exhibits attached hereto, is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

Exhibit No.	Description
4.1	Form of Warrant.
5.1	Opinion of Mills Oakley.
10.1*	Acquisition Agreement.
10.2	Loan Agreement.
10.3	Form of Support Agreement.
10.4	Form of Lock-Up Agreement.
10.5	Form of Relationship Agreement.
10.6	Form of Registration Rights Agreement.
10.7	Equity Distribution Agreement.
10.8	Form of SPA.
23.1	Consent of Marcum Bernstein & Pinchuk LLP.
99.1	Press release.
99.2	Investor presentation.

* Certain exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2).

Cautionary Note Regarding Forward Looking Statements

This Form 6-K and the attachments and exhibits filed or furnished herewith may include "forward-looking statements" (as defined in the Private Securities Litigation Reform Act of 1995) with respect to the Acquisition, the ATM Offering, the Private Placement, and Cenntro and the industry in which it operates. Actual events and results may differ from expectations, estimates and projections contained in such forward-looking statements and, consequently, you should not place undue reliance on these forward-looking statements as predictions of future events or results. These forward-looking statements generally are identified by the words "aspire," "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "will be," "will continue," "will likely result," "could," "should," "believe(s)," "predicts," "potential," "continue," "future," "opportunity," "strategy," and similar expressions, but not all forward-looking statements include these words. These forward- looking statements include, without limitation:

- the ability of NBG to complete the Acquisition;
- the benefits of the Acquisition;
- the ownership of NBG and others following the transaction;
- Cenntro's future financial performance, including expectations regarding revenue, expenses and other operating results;
- Cenntro's ability to establish new channel partners and successfully retain existing channel partners;
- Cenntro's ability to anticipate market needs and develop and introduce new and enhanced vehicles to adapt to changes in its industry;
- Cenntro's ability to achieve or sustain profitability;
- Cenntro's ability to successfully enter new geographic markets and manage international expansion;
- future investments in Cenntro's business, its anticipated capital expenditures and its estimates regarding capital requirements;
- Cenntro's expectations concerning relationships with its supply chain providers;
- Cenntro's ability to promote its brand;
- Cenntro's reliance on key personnel and its ability to identify, recruit and retain skilled personnel;
- Cenntro's ability to protect its intellectual property rights and any costs associated therewith;
- the inherent risks related to the electric commercial vehicle industry;
- Cenntro's ability to compete effectively with existing and new competitors; and
- Cenntro's compliance with applicable regulatory developments and regulations that currently apply or become applicable to its business.

The forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of NBG, CAG and Cenntro, that could cause actual results to differ materially from the results discussed in the forward-looking statements. Factors that may cause such differences include, but are not limited to: (a) the inability to realize the expected benefits of the Acquisition; (b) the occurrence of any event, change or other circumstance that could give rise to the termination of the Acquisition Agreement; (c) the occurrence of an adverse outcome in any legal proceedings that may be initiated following announcement of the Acquisition; (d) the failure to maintain the continued listing of the NBG ordinary shares on Nasdaq; (e) the disruption of the current plans and operations of Cenntro as a result of the announcement or consummation of the Acquisition; (f) adverse changes in applicable laws or regulations; (g) the possibility that the combined company may be adversely affected by other economic, business, and/or competitive factors; (h) the impact of COVID-19 or other adverse public health developments; (i) the risks detailed in the section "Risk Factors Relating to the Combination and Cenntro" attached to this report; and (j) other risks and uncertainties detailed from time to time in NBG's filings with the SEC. These attachments and filings identify and address important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

Readers should not place undue reliance upon any forward-looking statements, which speak only as of the date made. None of NBG, CAG or Cenntro undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

No Solicitation or Offer

This document is not a proxy statement or solicitation of a proxy, consent or authorization with respect to any securities or in respect of the Acquisition and does not constitute an offer to sell, buy, or exchange or the solicitation of an offer to sell, buy, or exchange any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, purchase, or exchange of securities or solicitation of any vote or approval in any jurisdiction in contravention of applicable law.

Additional Information

In connection with the Acquisition, NBG will file with the SEC a report of foreign private issuer on Form 6-K that includes the notice of meeting and explanatory memorandum to be used in connection with the extraordinary general meeting held for the purpose of approving the Acquisition and certain other related matters. NBG plans to mail the notice of meeting and explanatory memorandum to its shareholders in connection with the extraordinary general meeting. SHAREHOLDERS OF NBG AND OTHER INTERESTED PARTIES ARE URGED TO READ THE NOTICE OF MEETING AND EXPLANATORY MEMORANDUM TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PARTIES, THE TRANSACTIONS AND RELATED MATTERS. Shareholders of NBG and other interested parties will be able to obtain free copies of the documents described above (when available) and other documents filed with the SEC by NBG through the website maintained by the SEC at www.sec.gov.

Market, Industry and Other Data

This report and the attachments hereto contain statistical data, estimates and forecasts that are based on June 2020 market study on sales of light-duty ECVs and urban logistics by Frost & Sullivan, a global growth strategy consulting and research firm (the "F&S Report"), as well as other industry information. While we believe the industry and market data included in this prospectus are reliable and that any estimates or forecasts are based on reasonable assumptions, these data may involve many assumptions and limitations, and you are cautioned not to give undue weight to such data. We have not independently verified the accuracy or completeness of the data contained in the F&S Report or any other industry or market data contained in this prospectus. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors," that could cause actual results to differ materially from those expressed in these publications and other publicly available information.

The information contained in this Form 6-K, including the attachments hereto and the exhibits hereto, shall be incorporated by reference in the Company's registration statements on Form F-3 and F-1 (File Nos. 333-226192, 333-230757, 333-232229, 333-235801, 333-243751, 333-249490, 333-249547, 333-254245 and 333-256258) and the prospectuses included therein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 8, 2021

NAKED BRAND GROUP LIMITED

By: */s/ Justin Davis-Rice*
Name: Justin Davis-Rice
Title: Executive Chairman and Chief Executive Officer

RISK FACTORS RELATING TO THE COMBINATION AND CENNTRO

You should consider and read carefully all of the risks and uncertainties described below, as well as other information included herein, including our combined financial statements and related notes appearing elsewhere herein, before making an investment decision. The risks described below are not the only ones that may affect us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations.

The financial statements included herein are the combined financial statements of CEG, CAC and CAG HK (together, "Cenntro") and its subsidiaries. References to "dollars," "$," "U.S. dollars" and "USD" refer to United States dollars. For detailed information regarding the business of each subsidiary of Cenntro, please refer to "Business – Subsidiary Information." Our fiscal year ends on December 31. References to "homologate" or "homologation" refer to the process of obtaining regulatory approval for marketing of vehicles in a jurisdiction. References in this section to "we," "us" and "our" are to Cenntro and its subsidiaries.

Risks Related to the Combination with Cenntro

NBG may be unable to satisfy the conditions to closing the Combination.

The consummation of the Combination is subject to approval by the shareholders of NBG and CAG and the satisfaction or waiver of the other closing conditions set forth in the Acquisition Agreement, including the condition that NBG have cash of at least US$282 million and liabilities of no more than $10 million in the aggregate immediately prior to the Closing, and that Nasdaq have approved the initial listing application in connection with the Acquisition with respect to the Acquisition Shares and the Acquisition Shares have been approved for listing on Nasdaq as of the Closing. There can be no assurance, however, that the closing conditions set forth in the Acquisition Agreement will be satisfied or waived. For instance, NBG may be unsuccessful in completing Additional Financings in order to satisfy the US$282 million minimum cash condition, Nasdaq may not approve the initial listing application, or the shareholders of NBG or CAG may not approve the Acquisition. To the extent that additional financing in excess of NBG's current resources and commitments is required, but is unavailable when needed to complete the Combination, or is only available on unfavorable terms, NBG may be compelled to either restructure the transaction or abandon it. Accordingly, there can be no assurance that the Acquisition will be consummated on the terms described in this report, or at all.

Stockholders will experience dilution as a result of the issuance of NBG ordinary shares in the Combination.

NBG will issue a substantial number of additional NBG ordinary shares to complete the Combination. Based on the assumptions described in "*The Combination—Pro Forma Ownership*" in Item 1.01 above, NBG estimates that it will issue 35.0 million NBG ordinary shares in the ATM Offering, 133.2 million NBG ordinary shares in the Private Placement, 112.7 million NBG ordinary shares upon settlement of the Incentive Award, and 2,332.7 million NBG ordinary shares to CAG to be distributed to CAG's shareholders. In addition, there would be options and warrants to purchase 185.4 million NBG ordinary shares outstanding (including the Converted Options). In addition, the equity incentive plan and the employee stock purchase plan to be adopted by NBG in connection with the Acquisition are expected to reserve for issuance a number of shares equal to 10% and 3%, respectively, of the NBG ordinary shares outstanding immediately after the Acquisition. The issuance of these shares will significantly dilute the equity interest of NBG's shareholders and may adversely affect prevailing market prices for the NBG ordinary shares.

Concentration of ownership among Cenntro's management and their affiliates may prevent other shareholders from influencing significant corporate decisions.

Upon completion of the Combination and the distribution by CAG to its shareholders, Peter Wang and certain of his affiliates as a group are expected to beneficially own approximately 26.2% of the outstanding NBG ordinary shares, based on the assumptions described in "*The Combination—Pro Forma Ownership*" in Item 1.01 above. As a result, these shareholders will be able to exercise a significant level of influence over all matters requiring shareholder approval, including the election of directors, amendments to NBG's constitution and approval of significant corporate transactions, and will be able to block special resolutions of NBG. This control could have the effect of delaying or preventing a change of control of NBG or changes in management and will make the approval of certain transactions difficult or impossible without the support of these shareholders.

Furthermore, under the Acquisition Agreement and the relationship agreement, NBG will grant the Wang Parties the right to designate four individuals for appointment or election as directors in the event a director designated by the Wang Parties ceases to serve as a director due to removal by members pursuant to section 203D of the Australian Corporations Act, so long as the Wang Parties collectively beneficially own at least 10% of the issued and outstanding NBG ordinary shares.

NBG will be solely dependent on Cenntro's business after the Combination.

After the Combination, NBG will be solely dependent on the success of Cenntro's business. As a result, NBG will be subject to the numerous economic, competitive and regulatory risks attendant to such business, as described elsewhere in this report, any of which could have an adverse impact upon our results of operations and financial condition. For a more detailed description of the risk related to Cenntro's business, see the following sections below "———*Risks Related to Our Business and Financial Results*," "———*Risks Related to Our Industry*," "———*Risks Related to Legal and Regulatory Matters*" and "———*Risks Related to Doing Business in China*."

Cenntro operates in an industry that is outside of NBG management's area of expertise.

Although NBG management has endeavored to evaluate the risks inherent in Cenntro's business, there can be no assurance that NBG has adequately ascertained or assessed all of the significant risk factors. Although its officers and directors have experience in mergers and acquisition and finance, its management's primary area of operational expertise is in the retail apparel industry. NBG has undertaken financial, commercial and other analyses of Cenntro to determine their attractiveness as an acquisition target, and whether to pursue the Combination. It is possible that such analyses, and the best-estimate assumptions made by NBG, may not be realized. If management misjudges the risks or benefits of Cenntro's business, the share price of NBG's ordinary shares may decline.

Resources expended in pursuit of the Combination would be wasted if the Combination is not completed.

The investigation of Cenntro, the negotiation, drafting and execution of the agreements signed in connection with the Combination, and the preparation of related disclosure documents and other filings required substantial management time and attention and substantial costs for accountants, attorneys, consultants and others. If NBG fails to complete the Combination for any number of reasons, many of which are beyond our control, it will result in a loss to NBG of the related costs incurred.

NBG likely will have no right to make damage claims against Cenntro, CAG or CAG's shareholders for the breach of any representation, warranty or covenant made by Cenntro or CAG in the Acquisition Agreement.

The Acquisition Agreement provides that all of the representations, warranties and covenants of the parties contained therein shall not survive the closing of the Acquisition, except for those covenants that by their terms apply or are to be performed in whole or in part after the Closing, and then only with respect to breaches occurring after Closing, and any claims for actual fraud. As a result, NBG likely will have no remedy available to it if the Acquisition is consummated and it is later revealed that there was a breach of any of the representations, warranties or covenants made by CAG and Cenntro at the time of the signing of the Acquisition Agreement or the Closing.

NBG's management has interests in the Combination that are different than our shareholders generally.

NBG's management interests in the Acquisition that are different from, or in addition to, those of other shareholders generally. For example, the payment due under the third tranche of the Phantom Warrants granted to an entity associated with Justin Davis-Rice, NBG's Executive Chairman and Chief Executive Officer, will be accelerated upon consummation of the Acquisition. Based on the assumptions described in "*The Combination—Pro Forma Ownership*" in Item 1.01 above, NBG estimates that Mr. Davis-Rice's associated entity will receive approximately US$11.9 million in settlement of the Phantom Warrants. The actual amount may be substantially more or less than this estimate, depending on the future market price of the NBG ordinary shares and the number of NBG ordinary shares issued in the ATM Offering and the Private Placement. Furthermore, the payment of the Incentive Award granted to an entity associated with Mr. Davis-Rice will be accelerated in the event of the completion of the Combination. Based on the assumptions described in "*The Combination—Pro Forma Ownership*" in Item 1.01 above, NBG estimates that it will issue approximately 112.7 million NBG ordinary shares to Mr. Davis-Rice's associated entity upon settlement of the Incentive Award. The actual amount may be substantially more or less than this estimate, depending on the future market price of the NBG ordinary shares and the number of NBG ordinary shares issued in the Acquisition, the ATM Offering and the Private Placement. Additionally, subject to approval by the shareholders of NBG, each of the non-executive directors of NBG will receive a cash payment of US$1,000,000 in connection with the Closing of the Acquisition.

These financial interests may have influenced the decision of management to pursue the Combination. In addition, in the period leading up to the closing of the Combination, events may occur that, pursuant to the Acquisition Agreement, would require NBG to agree to amend the Acquisition Agreement, to consent to certain actions taken by Cenntro or to waive rights to which NBG is entitled under the Acquisition Agreement. The existence of the financial and personal interests of management described in this risk factor may result in a conflict of interest on the part of NBG's management between what they may believe is best for NBG and what they may believe is best for themselves in determining whether or not to take the requested action.

Risks Related to Our Business and Financial Results

We have a limited operating history and face significant challenges in an emerging industry.

We began pilot production of our first-generation, U.S. Class 1 (0 – 6,000 lbs.), electric light-duty commercial vehicle, the Metro®, in 2018, and, as of June 30, 2021, we have sold approximately 1,800 units throughout Europe, North America and Asia and deployed approximately 1,300 additional units in China through affiliated parties. Our revenues were approximately $5.5 million for the year ended December 31, 2020 and approximately $2.5 million for the six months ended June 30, 2021. To date, we have derived our revenues principally from sales of the Metro®. We intend to launch four new ECVs by the end of 2021, the CityPorter™ (a U.S. Class 4 medium-duty commercial truck), the Neibor® 200 (a small truck designed to meet the European Union and the UK's L7e (heavy quadricycle) qualification), the Logistar™ (a small delivery truck designed to meet the European Union's N1 requirements) and the Terramak™ (an off-road ECV). We have finalized the design, engineering and manufacturing plans for each of these ECV models; however, the expected dates of commercial availability for each of these new ECV models may be delayed. See "—Our future success depends on our ability to introduce new models and we may experience delays in launching and ramping up production of our new ECV models."

We have a limited operating history on which you can base an evaluation of our business and prospects. You should consider our business and prospects in light of the risks and challenges we face in an emerging industry with limited experience to date in high volume manufacturing of ECVs, including challenges related to our ability to:

- design and manufacture safe, reliable and quality ECVs on an ongoing basis;
- establish additional assembly facilities in the United States and European Union;
- maintain and expand our network of local assembly facilities, channel partners, assembly partners and suppliers;
- execute on our growth plan to regionalize supply chains, manufacturing and assembly of our ECVs;
- maintain and improve our operational efficiency;
- maintain a reliable, high quality, high-performance and scalable manufacturing infrastructure;
- attract, retain and motivate talented employees including our production workforce in existing and planned facilities, including the challenges we face with COVID-19 and the impact on our workforce stability;
- anticipate and adapt to changing market conditions, including technological developments and changes in the competitive landscape;
- protect our intellectual property; and
- navigate an evolving and complex regulatory environment.

If we fail to address any or all of these risks and challenges, our business, financial condition, operating results and prospects may be materially and adversely affected. As we continue to grow our business, we cannot assure you that we will be able to develop effective and cost-efficient manufacturing capabilities and processes, and maintain reliable sources of component supplies, that will enable us to meet the production demands required to successfully sell our ECVs.

We have historically incurred losses from our operations and may not be profitable in the future.

We incurred losses from operations of approximately $10.6 million and $17.8 million in 2020 and 2019, respectively. We have made significant up-front investments in research and development, supply chain establishment, establishment of local assembly facilities and capacity, and channel partner development to develop and expand our business. We have spent approximately $74.0 million in research and development activities related to our operations from our inception through June 30, 2021. We expect to continue to invest significantly in research and development, manufacturing and supply chain operations to expand our business, and these investments may not result in profitability within our expected timeframe or at all.

We may not generate sufficient revenues to be profitable in the future and we may incur substantial losses for a number of reasons, including lack of demand for our ECVs and increasing competition. In addition, we may incur unforeseen expenses, or encounter difficulties, complications and delays in market penetration for our products, generating revenue or achieving profitability. If we are unable to achieve profitability and raise additional financing, we may have to reduce the scale of our operations, which may impact our planned growth and adversely affect our business, financial condition, operating results and prospects.

Our ability to develop and manufacture ECVs of sufficient quality, on schedule and on a large scale is still evolving.

Our business depends in large part on our ability to execute on our plans to develop, manufacture and sell our ECVs to our channel partners. We began pilot production of the Metro® in 2018 and, as of June 30, 2021, we have sold approximately 1,800 units in North America, Europe, Asia and other markets and put into service approximately 1,300 units. We plan to manufacture ECVs in higher volumes than we have historically and our production capabilities, including our facilities and those of our manufacturing partners, may not be able to handle the anticipated volumes in our business plan. Development and manufacturing of our current and future ECVs, such as the Metro®, CityPorter™, Terramak™, Neibor® 200 and the Logistar™, are and will be subject to risks, including:

- accurately manufacturing components within appropriate design tolerances;
- securing additional manufacturing and local assembly facilities in our various target markets;
- compliance with environmental, workplace safety and similar regulations;
- securing necessary high-quality components and materials from our supply chain on acceptable terms and in a timely manner;
- our ability to execute on our growth plan to regionalize our supply chain and manufacturing;
- quality controls;
- delays or disruptions in the supply chain, including as a result of pandemics such as COVID-19;
- delays or disruptions in ocean transit or transportation from our suppliers to our manufacturing or local assembly facilities and/or from our manufacturing facilities (or manufacturing partners' facilities) to our local assembly facilities and assembly partners;
- our ability to establish, maintain and rely upon relationships with our suppliers, channel partners, assembly partners and manufacturing partners; and
- other delays, backlog in manufacturing and research and development of new models, and cost overruns.

Any of the foregoing could materially and adversely affect our business, financial condition, operating results and prospects.

Our future success depends on our ability to introduce new models and we may experience delays in launching and ramping up production of our new ECV models.

Our future success depends on our ability to introduce four new ECV models in 2021, each of which are designed for specific geographic markets and to address additional commercial applications. In order to introduce new ECV models, we have to coordinate with our suppliers, assembly partners, manufacturing partners, channel partners and other third parties in order to ensure timely execution of the manufacturing and assembly processes. If we fail to coordinate these efforts and achieve market introduction and acceptance of our new ECV model in a timely manner, our business, financial condition, operating results and prospects could be adversely affected. In addition, we have limited experience to date in manufacturing each of the CityPorter™, the Terramak™, the Neibor® 200 and the Logistar™ as well as limited experience building and ramping up multiple vehicle production lines across multiple factories in different geographies. In order to be successful, we will need to implement, maintain and ramp-up efficient and cost-effective manufacturing capabilities between our manufacturing partners, assembly partners, our own facilities in Changxing and our local assembly facilities. Manufacturing bottlenecks and other unexpected challenges may arise during our production ramp-up, and we must address them promptly. We may face delays in establishing and/or sustaining production of our new ECV models. Any delay or other complication in ramping up the production of our current or future ECV models may harm our business, financial condition, operating results and prospects.

Our operating results may be more volatile due to a high concentration of sales in relatively few channel partners.

For the year ended December 31, 2020 and six months ended June 30, 2021, our three largest channel partners accounted for approximately 82% and 88% of our sales, respectively. Due to the concentration of sales in relatively few channel partners, the loss of one or more of these channel partners will have a significant and adverse effect on our operating results. In the event that any relationship with a channel partner changes negatively, our operating results could be materially adversely affected. During the year ended December 31, 2020, we ceased doing business with one of our channel partners that had previously accounted for a significant portion of our revenues in prior periods.

Our reliance on our channel partners to market, sell and service (and in certain cases, assemble and/or homologate) our vehicles is subject to substantial risks.

Our channel partners are responsible for the sale, marketing and servicing (and in certain cases, assembly and/or homologation) of the ECV products we sell to them in the countries in which they operate. We do not control the actions of our channel partners. For example, we do not control how our channel partners market or sell assembled ECVs or the quality of their service to our ECVs and, with respect to the private label channel partners, we do not oversee their assembly of our ECVs.

Our channel partners are not subject to any minimum annual purchase requirements. In the event our channel partners are not successful in the markets in which they operate or fail to satisfy sales targets, meet customer service objectives or experience adverse regulatory actions or other operational challenges, we could experience a reduction in sales. Furthermore, if any of our channel partners fail to successfully operate their business or lack liquidity to support their operations, they may be unable to continue to purchase and sell our ECVs in the countries in which they operate, which could limit our sales to such market for an extended period and adversely affect our business.

In addition, our ECVs are highly technical products that require maintenance and support, which we rely on our channel partners to provide to their customers. If our channel partners were to cease or cut back operations at any time in the future, end-user customers of our ECVs may encounter difficulties in maintaining their vehicles and obtaining satisfactory support, which may negatively impact our reputation.

Disputes may occur between us and our channel partners or our channel partners and their customers, and we could be affected by adverse publicity related to such disputes, whether or not such publicity is related to their collaboration with us. Our ability to successfully build and maintain our brand can be adversely impacted by perceptions about the quality of our channel partners' servicing (and in some cases, assembly) processes. Our arrangements with our channel partners typically specify general quality standards that the partners may meet, but do not provide us with any direct control or oversight over the assembly, marketing and selling behavior of such channel partners. We rely on our channel partners to meet quality standards, but we cannot assure you that they will successfully maintain quality standards, which could adversely affect our reputation.

We may be unable to enter into new agreements or extend existing agreements with channel partners on terms and conditions acceptable to us or at all. In addition, even if we are able to expand our channel partner network, it can take between six months and two years from the time we enter into an agreement with a new channel partner for them to be operational and selling our ECVs, depending on their familiarity with ECVs and the types of services they will provide to us. As of June 30, 2021, only three of our 16 channel partners are "private label" channel partners that assemble and sell our Metro® under their own brand names. In addition, if we were to lose one or more of our channel partners, there is no assurance that we would be able to find a suitable replacement channel partner to take up the role of marketing and distributing our ECVs in the relevant market in the necessary timeframe or at all. The expense and time required to complete the channel partner onboarding process, and to confirm that our channel partners will be able to meet our quality standards and regulatory requirements, may be greater than anticipated, or we may never complete the onboarding process after having invested significant resources on such channel partner. Any of the foregoing could adversely affect our business, financial condition, operating results and prospects.

Our channel partners may reduce or cancel their orders at any time, which could adversely affect our business.

Our relationships with our channel partners are typically subject to definitive agreements we have with them. Under these agreements, our channel partners do not have any minimum or binding purchase obligations. Because our sales are made pursuant to standard purchase orders, orders may be cancelled, reduced, or rescheduled with little or no notice. Our vehicles may not meet the expectations of our channel partners, the end-users or market requirements. In the future, our channel partners or their customers may decide to purchase fewer ECVs than they have in the past, may alter their purchasing patterns at any time with limited or no notice, or may decide not to continue to purchase our ECVs at all. Cancellations of, reductions in, or rescheduling of orders could also result in the loss of anticipated sales without allowing us sufficient time to reduce our inventory and operating expenses, as a substantial portion of our expenses are fixed at least in the short term. In addition, changes in forecasts or the timing of orders expose us to the risks of inventory shortages or excess inventory. Any of the foregoing events could materially and adversely affect our business, financial condition, operating results and prospects.

Our channel partner network may not grow or develop as we currently expect, and if we fail to establish new channel partners in current markets in which we sell ECVs or penetrate new markets, our revenue and financial condition would be adversely affected.

Substantially all of our revenue for the years ended December 31, 2020 and 2019 and the six months ended June 30, 2021 was derived from sales of our ECVs in North America, Europe and Asia. As of June 30, 2021, we have established relationships with 16 channel partners, three that assemble our vehicle kits and sell them in their respective markets, two that upfit our vehicles and sell them in Korea and the United States and the remainder that sell the fully assembled vehicles that are designed and manufactured by us and assembled by us or our assembly partners in China. We aim to increase the size of our channel partner network in our target markets, which is necessary for our expansion in both existing and new markets. If we fail to successfully establish new channel partners in these key markets, our expected expansion will be materially impacted, which would adversely affect our business, financial condition, operating results and prospects. Furthermore, our future revenue growth will depend in part on our ability to penetrate new geographic markets by establishing new channel partners in those markets. Each new geographic market presents distinct and substantial challenges and risks and, in many cases, requires us to develop new customized solutions to address the particular technical and regulatory requirements of that market. Meeting the technical and regulatory requirements in any of these new markets will require a substantial investment of our time and resources. We cannot assure you that we will be able to establish new channel partners in these new markets, or that we will achieve meaningful revenue from sales in these markets. If any of these markets do not develop as we currently anticipate, our business, financial condition, operating results and prospects could be adversely affected.

We do not provide charging solutions for our channel partners or their customers.

Our ECVs have two ways to charge – slow charging from a regular power outlet and fast charging from a public EV charging station. However, we do not intend to install charging stations in the markets in which our ECVs are sold through our channel partners. As such, we rely on our channel partners in such markets to ensure charging solutions are available for end-user customers. If a market in which our ECVs are sold has few options for charging, the customers of our channel partners may need to rely on their own power outlets for charging, which may make our vehicles less attractive in such markets.

The battery capacity of our ECVs will decline over time, which may negatively influence purchasing decisions by our channel partners and end-users.

Our ECVs can experience battery capacity and performance loss over time depending on the use of the battery. We anticipate the battery capacity in our ECVs will decline over time as the battery deteriorates. We currently expect up to a 5% decline in the energy capacity retention per year, which will decrease the capacity of our ECVs over five years by up to 25% under normal use. Other factors such as usage, time and stress patterns may also impact the battery's ability to hold a charge, which would decrease our ECVs range before needing to recharge. Such battery deterioration and the related decrease in range may negatively influence purchase decisions by channel partners and end-users.

Our business is subject to the risk of disruption in our supply chain.

We depend on suppliers for the sourcing of ECV components and principal raw materials. Our suppliers (and those they depend upon for materials and services) are subject to risks, including labor disputes or constraints, financial liquidity, inclement weather, natural disasters, significant public health and safety events, supply constraints or shortages, and general economic and political conditions that could limit their ability to provide us with materials. Our business and operations would be adversely affected if any of our key suppliers were to experience significant disruption affecting the price, quality, availability or timely delivery of parts they supply to us or if any one or more or our key suppliers discontinued operations. Furthermore, if we experience significant increased demand, or need to replace our existing suppliers, there can be no assurance that additional supplies of component parts will be available when required on terms that are favorable to us, or at all, or that any supplier would allocate sufficient supplies to us in order to meet our requirements or fill our orders in a timely manner. The partial or complete loss of these suppliers, or a significant adverse change in the sourcing of ECV components, could result in lost revenue, added costs and distribution delays that could harm our business and channel partner relationships. In addition, concentration in our supply chain can exacerbate our exposure to risks associated with the termination by key suppliers of our supply-chain arrangements or any adverse change in the terms of such arrangements, which could adversely affect our business, financial condition, operating results and prospects.

We may be unsuccessful in our continuous efforts to source less expensive suppliers for certain parts, redesign certain parts to make them less expensive to produce and negotiate with existing suppliers to obtain cost reductions and avoid unfavorable changes to terms. Any of these occurrences may harm our business, prospects, financial condition and operating results. We cannot assure you that we will be able to maintain our existing relationships with our suppliers and continue to be able to source key components we use in our ECVs on a stable basis and at reasonable prices or at all. For example, our suppliers may increase the prices for the components we purchase and/or experience disruptions in their production of the components.

We are dependent on our suppliers, certain of which are single-source suppliers, and the inability of these suppliers to continue to deliver, or their refusal to deliver, necessary components of our ECVs at prices and volumes acceptable to us could have a material adverse effect on our business, prospects and operating results.

Historically, we have generally obtained components from multiple sources whenever possible, similar to other automobile manufacturers. However, certain components used in our ECVs are purchased from a single-source. We refer to these component suppliers as our single-source suppliers. For example, while several sources for the steering wheel and airbag module for the Metro® are available, we currently have only one supplier for these components. Additionally, we only have one supplier of a type of adhesive that is used in connection with our driving cab.

To date, we have not qualified alternative sources for most of the single-sourced components used in our vehicles. We generally do not maintain long-term agreements with our single-source suppliers. Any disruption in the supply of the steering wheel and airbag module or a type of driving cab bounding glue from our single-source suppliers could temporarily disrupt production of our ECVs. While we believe that we may be able to establish alternate supply relationships for our single-source components and can obtain or engineer replacement components, we may be unable to do so in the short term or at all at prices or costs that are favorable to us. The loss of any single or limited source supplier or the disruption in the supply of components from these suppliers could lead to delays in vehicle deliveries to our channel partners, which could hurt our relationships with them and their end-user customers and also materially adversely affect our business, prospects and operating results.

In the long-term, we intend to establish supply chain relationships in North America and the European Union to support our manufacturing and assembly needs in these markets, thereby reducing the time in transit and potentially the duties associated with importing our components and spare parts from China. We believe that our deep supply chain development know-how will provide us significant advantages; however, substantially all of our supply chain experience is limited to China. If we are unable to effectively manage the sourcing of our components and the responsiveness of our supply chain in areas outside of China, our business and results of operations may be harmed. It is also likely that in the early stages of our supply chain expansion, we can expect most component sources will be single-source suppliers.

As we shift component manufacturing to qualified suppliers and vehicle kit manufacturing to manufacturing partners, we will be relying on third parties to deliver substantially all of our components and vehicle kits for each of our new models. Our qualified suppliers and manufacturing partners may fail to deliver components and vehicle kits, respectively, according to schedules, prices, quality and volumes that are acceptable to us.

We intend to shift component manufacturing processes for our new vehicles to qualified suppliers. The continuous and stable supply of components needed in the manufacture and assembly of our ECVs that meet our standards will be crucial to our operations and production. This exposes us to multiple potential sources of component shortages. Unexpected changes in business conditions, materials pricing, labor issues, wars, governmental changes, tariffs, natural disasters, health epidemics such as the global COVID-19 pandemic, trade and shipping disruptions and other factors beyond our or our suppliers' control could affect their ability to deliver components to us.

The unavailability of any component or supplier could result in production delays, idle manufacturing facilities, product design changes and loss of access to important technology and tools for producing and supporting our products. Moreover, significant increases in our production or product design changes by us may require us to procure additional components in a short amount of time. Our suppliers may not be willing or able to sustainably meet our timelines or our cost, quality and volume needs, or to do so may cost us more, which may require us to replace them with other sources. While we believe that we will be able to secure additional or alternate sources or develop our own replacements for most of our components, there is no assurance that we will be able to do so quickly or at all.

We intend to shift manufacturing of vehicle kits for each of our new models to manufacturing partners as part of our light-asset distributed manufacturing business model and methodology. From time to time, these manufacturing partners may experience production problems or delays and may not be able to meet our demand for vehicle kits. We may be required to retain additional third-party manufacturing partners to assure continuity in production, but finding additional manufacturing partners in a timely and cost-effective manner may be difficult. Any delays in the manufacture of our vehicle kits could cause the loss of sales, and harm our brand, all of which could adversely affect our business, financial condition, operating results or prospects.

If our suppliers, channel partners, assembly partners or manufacturing partners fail to use ethical business practices and comply with applicable laws and regulations, our brand image and business could be harmed due to negative publicity.

Our core values, which include developing high quality ECVs while operating with integrity, are an important component of our brand image, which makes our reputation sensitive to allegations of unethical business practices. We do not control our independent suppliers, channel partners, assembly partners or manufacturing partners or their respective business practices. Accordingly, we cannot guarantee their compliance with ethical business practices, such as environmental responsibilities, fair wage practices, and compliance with child labor laws, among others. A failure in compliance could lead us to seek alternative suppliers, channel partners, assembly partners or manufacturing partners, which could increase our costs or result in delayed delivery of our products, product shortages or other disruptions of our operations.

Violation of labor or other laws by our suppliers channel partners, assembly partners or manufacturing partners or the divergence of an independent supplier's labor or other practices from those generally accepted as ethical in the markets in which we do business could also attract negative publicity for us and our brand. This could diminish the value of our brand image and reduce demand for our ECVs if, as a result of such violation, we were to attract negative publicity. Any negative publicity that results from unethical practices by third parties could harm our brand image, business, financial condition, operating results or prospects. If other manufacturers in our industry encounter similar problems with their third-party partners, any negative publicity with respect to the ECV industry could negatively impact us.

The commercial viability of our e-Portee relies on third-party hardware and software that may not be available, which could render our product less marketable and negatively impact our business, prospects and operating results.

The commercial viability of our e-Portee depends in large part on third-party developers utilizing hardware and software that is required for autonomous driving. The e-Portee is an open-platform and programmable chassis product, designed to act as a basic and core execution unit of an automated or autonomous driving vehicle. An automated system typically runs within a well-defined set of parameters and is restricted in what tasks can be performed. In contrast, an autonomous system learns and adapts to dynamic environments, and evolves as the environment around it changes. To be driven autonomously, the e-Portee requires hardware and software that we do not produce, such as detection devices and decision-making software. The e-Portee can only be utilized if such hardware and software is otherwise available and third parties are willing to integrate such technology with the e-Portee. To the extent our competitors develop and market a fully integrated autonomous EV, we may be at a commercial disadvantage. The marketability of the e-Portee is dependent on the willingness of third-party autonomous driving vehicle producers to either adopt our programmable chassis technology over other similar technologies or develop their own proprietary programmable chassis, as well as the willingness of end-users to purchase autonomous driving vehicles from such third parties. If any of these factors is not present then the marketability of our e-Portee will suffer, which could negatively impact our business, prospects and operating results. Furthermore, there are many uncertainties relating to the homologation of autonomous driving vehicles, and we are unable to predict when the market for autonomous driving vehicles will develop more fully.

Our business depends substantially on the continuing efforts of our executive officers, and our business may be severely disrupted if we lose their services.

Our future success depends substantially on the continued services of our executive officers, especially our CEO and Chairman, Mr. Peter Z. Wang. We do not currently maintain key man life insurance on any of our executive officers. If any of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Therefore, our business may be severely disrupted, and we may incur additional expenses to recruit and retain new officers. In addition, if any of our executive officers joins a competitor or forms a competing company, our business, financial condition, operating results or prospects could be harmed.

Our facilities or operations could be damaged or adversely affected as a result of disasters or unpredictable events.

We have manufacturing and research facilities currently located in Changxing, China. We (i) recently opened a local assembly facility in Freehold, New Jersey for the trial production of our CityPorter™ and Terramak™ and (ii) plan to open a local assembly facility in Dusseldorf, Germany to support the local assembly of our Metro®, the Logistar™ and Neibor® 200 for sales within the European Union, and a local assembly facility in Jacksonville, Florida to assemble the CityPorter™ and the Terramak™ for distribution to our channel partners for sales in the North American market. In addition, we work with three "private label" channel partners with local assembly facilities in the United States and in the European Union, and two assembly partners with assembly facilities in China. If major disasters such as earthquakes, fires, floods, hurricanes, wars, terrorist attacks, computer viruses, pandemics (such as COVID-19) or other unpredictable events, such as cyber-attacks, occur that impact our facilities or the facilities of our channel and assembly partners, we may have to stop or delay production and shipment of our ECVs, and our operations may be seriously damaged. We may incur expenses relating to such delays or damages, which could materially and adversely affect our business, financial condition, operating results and prospects.

The COVID-19 pandemic has harmed and may continue to harm our business, financial condition, operating results and prospects.

The COVID-19 pandemic and associated containment measures have caused economic and financial disruptions globally, affecting regions in which we sell our ECVs and conduct our business operations. We are unable to predict the full impact the pandemic may have on our results of operations, financial condition, liquidity, and cash flows due to numerous uncertainties, including the progression of the pandemic, governmental and other responses, vaccine availability and effectiveness, and the timing of economic recovery. In addition, new variant strains of COVID-19 have emerged in different locations around the world, including the new Delta variant, which appears to be the most transmissible variant to date. The impact of the Delta and other variants cannot be predicted at this time and could depend on numerous factors, including vaccination rates among the population, the effectiveness of COVID-19 vaccines against new variants and the response by governmental bodies and regulators.

We are also unable to predict the extent of the impact of the pandemic on our customers, suppliers, and other partners, which could materially adversely affect demand for our ECVs and our results of operations and financial condition. For the year ended December 31, 2020 and the six months ended June 30, 2021, the COVID-19 pandemic contributed to uncertainty in the demand environment for our ECVs. Our business was adversely affected by supply constraints resulting from the pandemic that affected the timing of shipments of certain components in desired quantities or configurations. During the early stages of the pandemic, our facilities were completely closed for more than one month, our ability to ship into the European Union was halted and we had no new orders for our ECVs between March 2020 through October 2020. Additionally, the pandemic negatively impacted our channel partner network, including opportunities to grow the network, and most of our channel partners at least temporarily shut down their businesses. During the six months ended June 30, 2021, our business was negatively impacted by the resurgence of COVID-19. Our supply chains and manufacturing were impacted by lock-downs and containment measures implemented by local governments. As a result, production lead times for our existing models as well as the release dates of our new models were extended. Additional COVID-related precautionary measures taken at ports have resulted in delays in customs clearing. The resurgence of COVID-19 may also adversely impact our inventory and account receivables collection cycle, which may negatively affect our liquidity position.

Measures taken to contain the COVID-19 pandemic, such as travel restrictions, quarantines, shelter-in-place, and shutdowns, have affected and may continue to affect our workforce and operations, and those of our vendors, suppliers, and channel and assembly partners. Restrictions on our operations or workforce, or similar limitations for others, may affect our ability to meet customer demand. We have taken and will continue to take risk mitigation actions that we believe are in the best interests of our employees, customers, suppliers, and other partners. Work-from-home and other measures may create additional operational risks, including heightened cybersecurity risks. These measures may not be sufficient to mitigate the risks posed by the virus, and illness and workforce disruptions could lead to unavailability of key personnel and impair our ability to perform critical functions.

We are closely monitoring the development of the COVID-19 pandemic. The COVID-19 pandemic may continue to cause disruption and volatility in the global debt and capital markets, which may increase our cost of capital and adversely affect our access to capital. The COVID-19 pandemic may adversely affect our business, results of operations, and financial condition and it also may have the effect of exacerbating the other risks discussed in this “Risk Factors” section. Developments related to the COVID-19 pandemic have been unpredictable, and additional impacts and risks may arise that we are not aware of or are not able to respond to in an effective manner.

Global economic conditions could materially and adversely affect our business, financial condition, operating results and prospects.

The global macroeconomic environment is facing challenges, and the uncertain state of the global economy continues to impact businesses around the world, including as a result of COVID-19. If global economic and financial market conditions do not improve or further deteriorate, our business, financial condition, operating results and prospects may be materially and adversely affected. Some of the factors that could materially and adversely affect us include:

- Slower consumer spending may result in reduced demand for our ECVs, reduced orders from our channel partners, order cancellations, lower revenues, higher discounts, increased inventories and lower gross margins.

- Continued volatility in the markets and exchange rates for foreign currencies and contracts in foreign currencies could have a significant impact on our reported operating results and financial condition. We conduct transactions in various currencies, which increases our exposure to fluctuations in foreign currency exchange rates relative to the U.S. Dollar.

- Volatility in the availability and prices for commodities and raw materials we use in our ECVs from our supply chain could have a material adverse effect on our costs, gross margins and profitability.

- Instability in global financial and capital markets may impair our ability to raise additional equity or debt financing on reasonable terms or at all in order to grow our business.

Our financial results may vary significantly from period-to-period due to the seasonality of our business and fluctuations in our operating costs.

Our operating results may vary significantly from period-to-period due to many factors, including seasonal factors that may have an effect on the demand for our ECVs. Demand for vehicles in the automotive industry in general typically decline over the winter season, while sales are generally higher during the spring and summer months. Our limited operating history makes it difficult for us to judge the exact nature or extent of the seasonality of our business. Also, any unusually severe weather conditions in some markets may impact demand for our vehicles. Our operating results could also suffer if we do not achieve revenue consistent with our expectations for this seasonal demand. We also expect our period-to-period operating results to vary based on our operating costs which we anticipate will increase significantly in future periods as we, among other things, design and develop additional ECVs and components, establish new channel partners relationships, establish new local assembly facilities and technology support and research and developments centers, and increase our general and administrative functions to support our growing operations. As a result of these factors, we believe that period-to-period comparisons of our operating results are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance.

Our distributed manufacturing methodology and channel partner network model is different from the predominant current distribution model for automobile manufacturers, which makes evaluating our business, financial condition, operating results and prospects difficult.

Our business model allows us to both (i) design, manufacture, assemble, homologate and sell ECVs to third parties for distribution and service to end-users and (ii) distribute manufactured vehicle kits, which are then assembled, homologated, sold and serviced by third parties in their respective markets. This model of vehicle distribution is relatively new and unproven and subjects us to substantial risk. For example, our success depends in large part on our ability to effectively establish and maintain successful relationships with channel partners and for them to implement successful processes for marketing, sales, and servicing (and in cases related to our private label channel partners, homologation and assembly).

Our business model is subject to numerous significant challenges and uncertainties, some of which are outside of our control, and we may not be successful in addressing these challenges. For instance, we have limited control or oversight over our channel partners. To the extent a channel partner is not conducting its business in an ethical manner or is not performing to the required standards, we have limited recourse. Our channel partner network is based solely on contractual arrangements and such contractual arrangements do not currently, and may not into the future, provide us with adequate oversight over our channel partners to protect our reputation. Additionally, in some cases we may effectively compete with our private label channel partners.

Additionally, in certain markets we may sell directly to end-users such as fleet providers which will mean we will add an overhead and business structure to service a direct sale business model that we do not have in place at this time.

Our business plans require a significant amount of capital, which may not be available to us on acceptable terms or at all.

We expect to need significant capital in connection with our current and planned operations, including to open new local assembly facilities, grow the number of our channel partners and markets in which we operate and support the introduction and production of four new ECV models. We expect that our level of capital expenditures will be significantly affected by channel partners' customer demand for our ECVs. The fact that we have a limited operating history means we have limited historical data regarding the demand for our products and services and our future capital requirements. As a result, our future actual capital requirements may be uncertain and actual capital requirements may be materially different from those we currently anticipate.

We may seek equity or debt financing to finance a portion of our capital requirements. Such financing might not be available to us in a timely manner or on terms that are acceptable, or at all. Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors, including general market conditions and investor acceptance of our business plan. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds, we will have to significantly reduce our spending, and delay or cancel our planned activities.

We may be unable to obtain financing for our working capital needs on favorable terms.

Our success and growth are largely dependent upon having adequate working capital to fund our business objectives and planned growth on favorable terms. We cannot assure you that we will be able to generate cash flow or that we will be able to borrow funds in amounts sufficient to enable us to meet our working capital requirements. We previously maintained lines of credit with various financial institutions; however, as of June 30, 2021, we have no outstanding borrowings under any of our prior lines of credit and such lines of credit are no longer available to us. As of June 30, 2021, our only borrowings outstanding were approximately $3.4 million and $1.9 million in loans (including accrued interest) made by third parties and related parties, respectively. If we are not able to establish a new line of credit suitable for our growth plans on favorable terms, or otherwise borrow sufficient funds to meet our working capital requirements, we may be required to sell equity or change our plans to reduce planned expenditures. We cannot assure you that we will be able to sell equity on terms acceptable to us, if at all, and any sale or reduction in expenditures could have a negative impact on our business, financial condition, operating results and prospects.

As we shift component and vehicle kit manufacturing to qualified suppliers and manufacturing partners, we may have to shorten the useful lives of any equipment to be retired as a result, and the resulting acceleration in our depreciation could adversely affect our financial results.

We have invested in what we believe is state of the art tooling, machinery and other manufacturing equipment, and we depreciate the cost of such equipment over their expected useful lives. However, we intend to shift component and vehicle kit manufacturing for each of our new models to qualified suppliers and manufacturing partners, respectively, and focus our efforts on the assembly of our ECVs for marketing. As we shift component and vehicle kit manufacturing (in some instances) to our qualified suppliers and manufacturing partners, respectively, we may have to shorten the useful lives of any equipment to be retired as a result. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and to the extent we own such equipment, our results of operations could be adversely affected.

We may not be able to accurately estimate the supply and demand for our vehicles, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays.

We may have limited insight into trends that may emerge and affect our business. This may result in our inability to accurately estimate the supply and demand for our vehicles. For instance, we plan to introduce four new vehicles in 2021, including two new vehicles in the North American market and two new vehicles for the European market. We cannot predict whether these new ECV models will be readily adopted by channel partners and end-users in their respective markets. We may need to provide forecasts of our demand to our suppliers several months prior to the scheduled delivery of products to our channel partners. Currently, there is no or limited historical basis for making judgments on the demand for our planned or existing vehicles or our ability to develop, manufacture, and deliver vehicles, or our profitability in the future. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of vehicles to our channel partners could be delayed, which would harm our business, financial condition and operating results.

Our ECVs use lithium-ion battery cells, which have the potential to catch fire or vent smoke and flame and may lead to additional concerns about batteries used in automotive applications.

The battery packs in our ECVs use lithium-ion cells, and we intend to use lithium-ion cells in our future ECV products. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. Extremely rare incidents of laptop computers, cell phones and EV battery packs catching fire have focused consumer attention on the safety of these cells.

These events have raised concerns about batteries used in automotive applications. To address these questions and concerns, a number of battery cell manufacturers are pursuing alternative lithium-ion battery cell chemistries to improve safety. The battery packs used in our ECVs may need to be redesigned, which would be time-consuming and expensive. Also, negative public perceptions regarding the suitability of lithium-ion cells for automotive applications or any future incident involving lithium-ion cells such as a vehicle or other fire, even if such incident does not involve us, could seriously harm our business.

The majority of the battery packs we use in our ECVs are shipped in a "just in time" fashion so that we are generally not housing them for a long period of time. Nonetheless, we may in the future store lithium-ion cells at our facilities from time to time. Any incident involving battery cells may cause disruption to the operation of our facilities. While we have implemented safety procedures related to the handling of the cells, we cannot assure you that a safety issue or fire related to the cells would not disrupt our operations. Such damage or injury could lead to adverse publicity and potentially a safety recall. Moreover, any type of battery failure in relation to a competitor's ECV may cause indirect adverse publicity for us and our ECVs. Such adverse publicity could negatively affect our brand and harm our business, financial condition, operating results and prospects.

We have identified a material weakness in our internal control over financial reporting that could materially harm our company. If we fail to remediate the material weakness, or if we experience material weaknesses in the future, we may not be able to accurately and timely report our financial condition or results of operations, which may adversely affect investor confidence in us.

We are a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting in accordance with requirements applicable to public companies. As a private company, historically we have not retained a sufficient number of professionals with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters under U.S. Generally Accepted Accounting Principles ("GAAP").

A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. While our independent registered public accounting firm did not and was not required to perform an audit of our internal control over financial reporting in connection with the audits of our 2019 and 2020 combined financial statements, management identified a material weakness in our internal control over financial reporting. Specifically, our material weakness is that we do not have adequate accounting staff generally in our finance and accounting department, particularly with respect to (i) the preparation of financial statements prepared in accordance with GAAP and the inclusion of proper disclosures in the related footnotes, and (ii) the design, documentation and implementation of internal controls surrounding risk management and financial reporting processes.

Management has taken and is continuing to take actions to remediate this material weakness and is taking steps to strengthen our internal control over financial reporting and risk management, such as the hiring of an experienced Chief Financial Officer, Mr. Edmond Cheng, in April 2021. We intend to hire additional personnel with greater familiarity with GAAP and SEC reporting requirements and upon completion of this offering will have an audit committee with significant experience in overseeing the preparation of financial statements in accordance with GAAP and compliance with SEC reporting requirements. Additionally, with the assistance of outside consultants, we plan to (i) further develop and implement formal policies, processes and documentation procedures relating to our financial reporting as well as (ii) address the accounting function's staffing needs and training and build out an internal audit function. We cannot assure you that the measures we have taken to date will be sufficient to remediate the material weakness we identified or avoid the identification of additional material weaknesses in the future. To the extent we are unable to remediate this material weakness or unable to identify future material weaknesses in our internal control over financial reporting, such material weakness could severely inhibit our ability to accurately report our financial condition or results of operations and could cause future investors to lose confidence in the accuracy and completeness of our financial reports, we could become subject to litigation from investors and stockholders, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Risks Related to Our Industry

The unavailability or reduction of government and economic incentives or the elimination of regulatory policies which are favorable for ECVs could materially and adversely affect our business, financial condition, operating results and prospects.

Our business depends significantly on government subsidies, economic incentives and government policies that support the growth of new energy vehicles generally and ECVs specifically. Any reduction, elimination or discriminatory application of government subsidies and economic incentives because of policy changes, the reduced need for such subsidies and incentives due to the perceived success of ECVs, fiscal tightening or other factors may result in the diminished competitiveness of the alternative fuel vehicle industry generally or our ECVs in particular. Any of the foregoing could materially and adversely affect our business, financial condition, operating results and prospects.

Our future growth is dependent upon end-users' willingness to adopt ECVs.

Our growth is highly dependent upon the adoption by national and local governments and the commercial vehicle market of, and we are subject to a risk of any reduced demand for, alternative fuel vehicles in general and ECVs in particular. The market for alternative fuel vehicles (including ECVs) is relatively new and rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, frequent new vehicle announcements and changing consumer demands and behaviors. If the market for ECVs in North America, Europe, Asia or elsewhere does not develop as we expect, or develops more slowly than we expect, our business, financial condition, operating results and prospects will be harmed. Other factors that may influence the adoption of alternative fuel vehicles, and specifically ECVs, include:

- perceptions about electric vehicle quality, safety, design, performance and cost, especially if adverse events or accidents occur that are linked to the quality or safety of electric vehicles, whether or not such vehicles are produced by us or other manufacturers;
- perceptions about vehicle safety in general, in particular safety issues that may be attributed to the use of advanced technology, including electric vehicle systems;
- the limited range over which electric vehicles may be driven on a single battery charge and the speed at which batteries can be recharged;
- the decline of an electric vehicle's range resulting from deterioration over time in the battery's ability to hold a charge;
- concerns about electric grid capacity and reliability;
- the availability of new energy vehicles, including plug-in hybrid electric vehicles and vehicles powered by hydrogen fuel;
- improvements in the fuel economy of the internal combustion engine;
- the availability of service for electric vehicles;
- the environmental consciousness of end-users;
- access to charging stations, standardization of electric vehicle charging systems and consumers' perceptions about convenience and cost to charge an electric commercial vehicle;
- the availability of tax and other governmental incentives to purchase and operate electric vehicles or future regulation requiring increased use of nonpolluting vehicles;
- perceptions about and the actual cost of alternative fuel; and
- macroeconomic factors.

Any of the factors described above may cause our channel partners and their customers not to purchase our ECVs. If the market for ECVs does not develop as we expect or develops more slowly than we expect, our business, financial condition, operating results and prospects will be adversely affected.

We could experience cost increases or disruptions in the supply of raw materials or components used in our vehicles, and a shortage of key components, such as semiconductors, can disrupt our production of ECVs.

We incur significant costs related to the procuring of raw materials and components required to manufacture our vehicles. Our ECVs use various raw materials including aluminum, steel, carbon fiber, non-ferrous metals such as copper, lithium, nickel and cobalt, as well as key component inputs such as semiconductors. The prices for these raw materials fluctuate depending on factors beyond our control, including market conditions and global demand for these materials, and could adversely affect our business and operating results. In particular, the automotive industry is currently facing a significant shortage of semiconductors. The global semiconductor supply shortage is having wide-ranging effects across multiple industries, particularly the automotive industry, and it has impacted multiple suppliers that incorporate semiconductors into the parts they supply to us. As a result, the semiconductor supply shortage has had, and will continue to have, a negative impact on our vehicle production. Due to shortages related to the impact of COVID-19 and other factors, our vendors are also experiencing substantial increases in the price of commodities such as steel and lithium, which are key raw materials in the manufacture of our chassis and batteries, respectively. Such shortages have had, and will continue to have, a negative impact on our gross margin.

Increases in the cost, disruptions of supply or shortages of lithium-ion batteries could harm our business.

Our business depends on the continued supply of battery cells for our vehicles. Battery cell manufacturers may refuse to supply battery cells to electric vehicle manufacturers to the extent they determine that the vehicles are not sufficiently safe. We are exposed to multiple risks relating to availability and pricing of quality lithium-ion battery cells. These risks include:

- the inability or unwillingness of current battery cell manufacturers to build or operate battery cell manufacturing plants to supply the numbers of lithium-ion cells required to support the growth of the electric vehicle industry as demand for such cells increases;
- disruption in the supply of cells due to quality issues or recalls by the battery cell manufacturers; and
- an increase in the cost or shortages of raw materials, such as lithium, nickel and cobalt, used in lithium-ion cells.

Our business depends on the continued supply of battery cells for our vehicles. Any disruption in the supply of battery cells could temporarily disrupt the planned production of our ECVs until such time as a different supplier is fully qualified. Furthermore, strong growth in sales of our ECVs may in some instances outpace the production and availability of lithium-ion batteries, which could result in substantial increases in the price of our batteries. Substantial increases in the prices for lithium-ion batteries would increase our operating costs, and could reduce our gross margins if we cannot recoup the increased costs through increased ECV prices.

Developments in alternative technologies or improvements in the internal combustion engine may materially and adversely affect the demand for our ECVs.

Significant developments in alternative technologies, such as advanced diesel, ethanol, hydrogen fuel cells or compressed natural gas, or improvements in the fuel economy of the internal combustion engine, may materially and adversely affect our business, financial condition, operating results and prospects in ways we do not currently anticipate. Any failure by us to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay the development and introduction of new and enhanced EVs, which could result in the loss of competitiveness of our vehicles, decreased revenue and a loss of market share to competitors.

The automotive market is highly competitive, and we may not be successful in competing in this industry.

Both the automobile industry generally, and the ECV segment in particular, are highly competitive, and we will be competing for sales with both ICE commercial vehicles and other ECVs. Many of our current and potential competitors have significantly greater financial, technical, manufacturing, marketing and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of ECVs. We expect competition for ECVs to intensify due to increased demand and a regulatory push for alternative fuel vehicles, continuing globalization, and consolidation in the worldwide automotive industry. Factors affecting competition include product quality and features, innovation and development time, pricing, reliability, safety, fuel economy, customer service, and financing terms. Increased competition may lead to lower vehicle unit sales and increased inventory, which may result in downward price pressure and adversely affect our business, financial condition, operating results, and prospects.

If we are unable to keep up with advances in electric vehicle technology, we may suffer a decline in our competitive position.

We may be unable to keep up with changes in ECV technology, and we may suffer a resulting decline in our competitive position, which would materially and adversely affect our business, financial condition, operating results and prospects. Our research and development efforts, as well as our manufacturing and supply chain capacity, may not be sufficient to adapt to changes in ECV technology. As technologies change, we plan to upgrade or adapt our ECVs and introduce new models in order to continue to provide our ECVs with the latest technology, including battery cell technology. However, our ECVs may not compete effectively with ECVs manufactured and marketed by our competitors if we are not able to develop and integrate the latest technology into our ECVs.

Risks Related to Legal and Regulatory Matters

Our business is subject to substantial regulations, which are evolving, and unfavorable changes or the failure by us or our channel partners to comply with these regulations could materially and adversely affect our business, financial condition, operating results and prospects.

Motor vehicles are subject to substantial regulation under U.S. federal, state and local laws as well as the laws of each of our target markets. We incur significant costs to comply with these regulations, including obtaining required vehicle certifications in the jurisdictions in which our ECVs are sold, and may be required to incur additional costs related to any changes to such regulations. Any failures by us or our channel partners to comply with existing or future regulations could result in significant expenses, vehicle recalls, delays or fines. We and our channel partners are subject to laws and regulations applicable to the supply, manufacture, import, sale and service of automobiles internationally. For example, in countries outside of the United States, we or our channel partners are required to meet standards relating to vehicle safety and testing, fuel economy, battery safety, transportation, testing and recycling and greenhouse gas emissions, among other things, that are often materially different from requirements in the United States, thus resulting in additional investment into the vehicles and systems to ensure regulatory compliance in those countries. This process may include official review and certification of

our vehicles by foreign regulatory agencies prior to market entry, as well as compliance with foreign reporting and recall management systems requirements. See “Business—Governmental Regulations.”

Compliance with various regulations pertaining to ECVs in our various target markets may limit our ability to sell certain of our ECV models in such markets. For example, under the Small Series Type Approval for N1 qualification in the European Union, our new model of the Metro® is limited to annual sales of only 1,500 units in the EU market (excluding sales by our private label channel partners in the European Union).

To the extent U.S. or international laws change, some or all of our vehicles may not comply with any new applicable international, federal, state or local laws, which would have an adverse effect on our business. Compliance with changing regulations could be burdensome, time consuming, and expensive. To the extent compliance with new regulations is cost prohibitive, our business, prospects, financial condition and operating results will be adversely affected.

Our ECVs may be subject to product liability claims or recalls which could cause us to incur expenses, damage our reputation or result in a diversion of management resources.

Historically, we have not carried product liability insurance as our private label channel partners, who represent the majority of our sales revenue for the year ended December 31, 2020 and the six months ended June 30, 2021, are regarded as the manufacturer of record of the ECVs they assemble and sell. Additionally, we have not carried business interruption insurance. We intend to obtain product liability insurance and business interruption insurance prior to the consummation of the Combination with NBG.

As manufacturer of record of our ECVs (except in the case of vehicles assembled by our private label channel partners), we may be responsible for product liability claims or costs associated with product recalls. We may be subject to lawsuits resulting from injuries associated with the use of the ECVs that we design, manufacture and sell to our channel partners. We may incur losses relating to these claims or the defense of these claims. Our ECVs may also be subject to recalls if any of our ECV designs prove to be defective, or our channel partners may voluntarily initiate a recall or make payments related to such claims as a result of various industry or business practices or the need to maintain good customer relationships. Such a recall would result in a diversion of resources and could damage our reputation with both our channel partners and their customers. Any claims or recalls associated with our ECVs could exceed our insurance coverage and materially and adversely affect our business, financial condition, operating results and prospects.

We face risks associated with our global operations and expansion, including unfavorable regulatory, political, legal, economic, tax and labor conditions, and with establishing ourselves in new markets, all of which could harm our business.

We currently have international operations and subsidiaries in various countries and jurisdictions, and we expect to expand and optimize our channel partner network internationally and to invest in new manufacturing and assembly facilities in various jurisdictions as part of our growth plan. Accordingly, we and our products are subject to a variety of legal, political and regulatory requirements and social and economic conditions over which we have little control. For example, we may be impacted by trade policies, political uncertainty and economic cycles involving geographic regions where we have significant sales or operate.

We are subject to a number of risks associated with international business activities that may increase our costs, impact our ability to sell our ECVs and require significant management attention. These risks include:

- conforming our products to various international regulatory and safety requirements in establishing, staffing and managing foreign operations;
- challenges in attracting channel partners;
- compliance with foreign government taxes, regulations and permit requirements;
- our ability to enforce our contractual rights and intellectual property rights;
- compliance with trade restrictions and customs regulations as well as tariffs and price or exchange controls;
- fluctuations in freight rates and transportation disruptions;
- fluctuations in the values of foreign currencies;
- compliance with certification and homologation requirements; and
- preferences of foreign nations for domestically manufactured products.

In many of these markets, long-standing relationships between potential customers and their local partners and protective regulations and disparate networks and systems used by each country, will create barriers to entry.

In many cases, we will have limited or no experience in many target markets where we intend to expand our channel partner network. Moreover, our entry into any such markets may be complicated by local consumer preferences, differing technology standards and language barriers, which may negatively impact our business and planned growth.

We are currently selling our ECVs in North America, Europe and Asia, and, as a result, we are subject to laws and regulations in those jurisdictions that are applicable to the import and/or sale of electric vehicles. For example, we are required to meet vehicle-specific safety standards that are often materially different across markets, thus resulting in additional investment into the vehicles and systems to ensure regulatory compliance. For each of the markets in which we sell our ECVs, we must obtain advanced approval from regulatory agencies regarding the proper certification or homologation of our vehicles to enter into these markets. This process necessitates that regulatory officials in each market review and certify our vehicles prior to market entry. We completed homologation of our CityPorter™ in North America during the third quarter of 2021 and are currently in the process of homologating the Logistar™ and the Neibor® 200 in the European Union. We have also homologated our new model of the Metro® in Europe under the N1 small series designation as various improvements to the model increased its weight over the allowable weight under its prior L7e classification. Any delay in the homologation process could adversely impact our ability to introduce any of these ECV models in their respective markets on our planned timeframe, which could adversely affect our business, financial condition and operating results and harm our reputation.

Our business will be adversely affected if we are unable to protect our intellectual property rights from unauthorized use or infringement by third parties.

Any failure to adequately protect our proprietary rights could result in the weakening or loss of such rights, which may allow our competitors to offer similar or identical products or use identical or confusingly similar branding, potentially resulting in the loss of some of our competitive advantage, a decrease in our revenue or an attribution of potentially lower quality products to us, which would adversely affect our business, financial condition, operating results and prospects. Our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patents, patent applications, trade secrets (including know-how), employee and third-party nondisclosure agreements, copyright protection, trademarks, intellectual property licenses and other contractual rights to establish and protect our proprietary rights in our technology. While we have seven PCT patents pending (which are given reciprocal protection pursuant to the Patent Coordination Treaty), substantially all of our registered patents are under PRC law and have not been given reciprocal treatment and protection under the laws of either the United States or the European Union. We may be unable to adequately protect our proprietary technology and intellectual property from use by third parties. In addition, our protection from trademark infringement by third parties in the United States and/or the European Union is currently limited to the extent we are not able to attain reciprocal trademark protection and there is no assurance that we will be able to obtain such trademark protection in these jurisdictions.

The protection provided by patent laws is and will be important to our business. However, such patents and agreements and various other measures we take to protect our intellectual property from use by others may not be effective for various reasons, including the following:

- our pending patent applications may not result in the issuance of patents;
- our patents may not be broad enough to protect our commercial endeavors;
- the patents we have been granted may be challenged, invalidated or circumvented because of the pre-existence of similar patented or unpatented technology or for other reasons;
- the costs associated with obtaining and enforcing patents in the countries in which we operate, confidentiality and invention agreements or other intellectual property rights may make enforcement impracticable; or
- current and future competitors may independently develop similar technology, duplicate our vehicles or design new vehicles in a way that circumvents our intellectual property protection.

Existing trademark and trade secret laws and confidentiality agreements afford only limited protections. In addition, the laws of some foreign countries do not protect our proprietary rights to the same extent as do the laws of the United States and policing the unauthorized use of our intellectual property is difficult. For example, historically the implementation and enforcement of PRC intellectual property-related laws have been limited. Accordingly, protection of intellectual property rights in China may not be as effective as in the United States or other countries.

Some of the components in our supply chain are co-designed with third-party vendors, who are generally restricted from selling parts that are co-designed with us to other parties. However, in the event we discontinue our purchases of such co-designed components from our vendors, these vendors may no longer be restricted from selling such co-designed components to third parties.

We may need to defend ourselves against patent or trademark infringement claims, which may be time-consuming and could cause us to incur substantial costs.

Companies, organizations or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop or sell our vehicles or vehicle kits, which could make it more difficult for us to operate our business. From time to time, we receive notices from holders of patents or trademarks regarding their proprietary rights. Companies holding patents or other intellectual property rights may bring suits against us alleging infringement of such rights or otherwise assert their rights and seek licenses. Even if we are successful in these proceedings, any intellectual property infringement claims against us could be costly, time-consuming, harmful to our reputation, and could divert the time and attention of our management and other personnel or result in injunctive or other equitable relief that may require us to make changes to our business, any of which could have a material adverse effect on our financial condition, cash flows, results of operations or prospects. In addition, if we are determined to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following:

- cease selling, incorporating or using vehicles or offering goods or services that incorporate or use the challenged intellectual property;
- pay substantial damages;
- obtain a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms or at all; or
- redesign our vehicles or other goods or services.

In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology or other intellectual property right, our business, financial condition, operating results and prospects could be materially adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources and management attention.

In addition, we have agreed, and expect to continue to agree, to indemnify our channel partners for certain intellectual property infringement claims regarding our products. As a result, if infringement claims are made against our channel partners, we may be required to indemnify them for damages (including expenses) resulting from such claims or to refund amounts they have paid to us.

Compliance with environmental regulations can be expensive, and noncompliance with these regulations may result in adverse publicity and potentially significant monetary damages and fines.

Our business operations may generate noise, wastewater, end-of-life batteries, gaseous byproduct and other industrial waste. We are required to comply with all applicable national and local regulations regarding the protection of the environment. We believe we are in compliance with current environmental protection requirements and have all necessary environmental permits to conduct our business. However, if more stringent regulations are adopted in the future, the costs of compliance with these new regulations could be substantial. Additionally, if we fail to comply with present or future environmental rules or regulations, we may be liable for cleanup costs or be required to pay substantial fines, suspend production or cease operations. Any failure by us to control the use of, or to adequately restrict the unauthorized discharge of, hazardous substances or comply with other environmental regulations could subject us to potentially significant monetary damages and fines or suspensions to our business operations. Additionally, as we expand our local assembly capabilities in our target markets, our expansion will necessarily increase our exposure to liability with respect to environmental regulations and the fines and injunctive actions related thereto and require us to spend further resources and time complying with complex environmental regulations in such jurisdictions.

Contamination at properties currently or formerly owned or operated by us, and properties to which hazardous substances were sent by us, may result in liability for us under environmental laws and regulations, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The U.S. government can impose liability on us under CERCLA for the full amount of remediation-related costs of a contaminated site without regard to fault. Such costs can include those associated with the investigation and cleanup of contaminated soil, ground water and buildings as well as to reverse impacts to human health and damages to natural resources.

Pursuant to the Environmental Protection Law of the PRC, which was adopted on December 26, 1989, and amended on April 24, 2014, effective on January 1, 2015, any entity which discharges pollutants must adopt measures to prevent and treat waste gas, waste water, waste residue, medical waste, dust, malodorous gas, radioactive substances generated in manufacturing, construction or any other activities as well as environmental pollution and hazards such as noise, vibration, ray radiation, electromagnetic radiation etc. Environmental protection authorities impose various administrative penalties on entities in violation of the Environmental Protection Law, including warnings, fines, orders to rectify within a prescribed period, cease construction, restrict or suspend production, make recovery, disclose relevant information or make an announcement, or seize and confiscate facilities and equipment which cause pollutant emissions, the imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. In addition, pursuant to the Civil Code of the PRC, which was adopted on May 28, 2020, and effective on January 1, 2021, in the event of damage caused to others as a result of environmental pollution and ecological destruction, the actor will bear tortious liability. In the event a party, in violation of laws and regulations, intentionally pollutes the environment or damages the ecology, thereby causing serious consequences, the infringed party is entitled to claim appropriate punitive damages. Any violations of the Environmental Protection Law or the Civil Code could expose us to liabilities including fines and damages that could impact our business, prospects, financial condition and operating results.

The EU has specific regulations on batteries and the disposal of batteries to minimize the negative environmental effects of batteries and hazardous waste. The EU Battery Directive (2006/66/EC) (the "EU Battery Directive") is intended to cover all types of batteries regardless of their shape, volume, weight, material composition or use. It is aimed at reducing mercury, cadmium, lead and other metals in the environment by minimizing the use of these substances in batteries and by treating and re-using old batteries. This directive applies to all types of batteries except those used to protect European Member States' security, for military purposes, or sent into space. To achieve these objectives, the EU Battery Directive prohibits the marketing of some batteries containing hazardous substances. It establishes processes aimed at high levels of collection and recycling of batteries with quantified collection and recycling targets. The directive sets out minimum rules for producer responsibility and provisions with regard to labeling of batteries and their removability from equipment. Product markings are required for batteries and accumulators to provide information on capacity and to facilitate reuse and safe disposal. We currently ship our ECVs pursuant to the requirements of the directive. Our current estimated costs associated with our compliance with these directives based on our current market share are not significant. However, we continue to evaluate the impact of these directives as European Union member states implement guidance, and actual costs could differ from our current estimates.

In December 2020, the European Commission adopted a proposal for a new regulation on batteries and waste batteries. Although in its early stages, the proposal is designed to modernize the EU's regulatory framework for batteries to secure the sustainability and competitiveness of battery value chains. It would introduce mandatory requirements on sustainability (such as carbon footprint rules, minimum recycled content, performance and durability criteria), safety and labelling for the marketing and putting into service of batteries, and requirements for end-of-life management. The proposal also includes due diligence obligations for economic operators as regards the sourcing of raw materials.

The EU Restriction of Hazardous Substances Directive 2002/95/EC (the "RoHS Directive") places restrictions on the use of certain hazardous substances in electrical and electronic equipment. All applicable products sold in the European Union market after July 1, 2006 must comply with EU RoHS Directive. While this directive does not currently affect our ECVs in any meaningful way, should any changes occur in the directive that would affect our ECVs, we will need to comply with any new regulations that are imposed.

China has implemented several regulations, policies and measures to regulate the batteries used in ECVs, which cover the security standards, recycling activities and other specifications. For example, the Interim Measures for the Management of the Recycling of Power Battery in New Energy Vehicles ("PRC Battery Measures") regulate the recycling and disposal of end-of-life batteries for new energy vehicles. The PRC Battery Measures provide that manufacturers of new energy vehicles must take primary responsibilities of the recycling of batteries and are required, for instance, to transfer batteries that have been damaged during manufacturing to vendors that provide recycling services, and to maintain records of the vehicles they have manufactured, the identification codes of the batteries incorporated into the vehicles, and the owners of the vehicles. The batteries used in our ECVs are also subject to a number of national standards in China, including functional safety requirements and testing methods for the battery management system of electric vehicles.

Our noncompliance with any of these regulations may materially and adversely affect our operations or financial condition.

We seek to continuously expand and improve our information technology systems and use security measures designed to protect our systems against breaches and cyber-attacks. If these efforts are not successful, our business and operations could be disrupted, and our operating results and reputation could be harmed.

We seek to continuously expand and improve our information technology systems, including implementing new internally developed systems, to assist us in the management of our business. We maintain information technology measures designed to protect us against intellectual property theft, data breaches and other cyber-attacks. The implementation, maintenance and improvement of these systems require significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving and expanding our core systems as well as implementing new systems, including the disruption of our data management, procurement, manufacturing execution, finance and supply chain processes. These risks may affect our ability to manage our data and inventory, procure parts or supplies or manufacture, sell, deliver ECVs, or achieve and maintain compliance with, or realize available benefits under, tax laws and other applicable regulations.

We cannot assure you that any of our new information technology systems or their required functionality will be effectively implemented, maintained or expanded as planned. If we do not successfully maintain our information technology or expand these systems as planned, our operations may be disrupted, our ability to accurately or timely report our financial results could be impaired, and deficiencies may arise in our internal control over financial reporting, which may adversely affect our ability to certify our financial results. Moreover, our proprietary information could be compromised or misappropriated, and our reputation may be adversely affected. If these systems or their functionality do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

Data collection is governed by restrictive regulations governing the use, processing, and cross-border transfer of personal information.

International jurisdictions have their own data security and privacy legal framework with which companies or their customers must comply. The collection, use, storage, transfer, and other processing of personal data regarding individuals in the European Economic Area is governed by the General Data Protection Regulation ("GDPR"), which came into effect in May 2018. It contains numerous requirements and changes from previously existing EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. Among other things, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States. The European Data Protection Board has issued draft guidance requiring additional measures be implemented to protect EU personal data from foreign law enforcement, including in the U.S. These additional measures may require additional resources to comply.

The GDPR also introduced numerous privacy-related changes for companies operating in the EU, including greater control for data subjects, increased data portability for EU consumers, data breach notification requirements and increased fines. Fines of up to 20 million Euros or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain GDPR requirements. Such penalties are in addition to any civil litigation claims by customers and data subjects. The GDPR requirements apply not only to third-party transactions but also to transfers of information between us and our subsidiaries, including employee information.

The European Commission has another draft regulation in the approval process that focuses on a person's right to conduct a private life, in contrast to the GDPR, which focuses on protection of personal data. The proposed legislation, known as the Regulation on Privacy and Electronic Communications, or ePrivacy Regulation, would replace the current ePrivacy Directive. While the new legislation contains protections for those using communications services (for example, protections against online tracking technologies), the timing of its proposed enactment following the GDPR means that additional time and effort may need to be spent addressing differences between the ePrivacy Regulation and the GDPR. New rules related to the ePrivacy Regulation are likely to include enhanced consent requirements to use communications content and communications metadata.

In addition, China has laws relating to the supervision of data and information protection. The Cybersecurity Law regulates the activities of "network operators," which include companies that manage any network under PRC jurisdiction. As such, certain of our PRC subsidiaries may be regarded as network operators under the Cybersecurity Law, since our ECVs are fitted with networking devices. The Cybersecurity Law requires that the collection of personal data is subject to consent by the person whose data is being collected.

On June 10, 2021, China enacted the Data Security Law of the PRC ("DSL"), which will be effective as of September 1, 2021. The DSL introduces several changes and new features to data security regulation and a comprehensive data security regime, which authorizes national departments to conduct stricter supervision of data in China. For example, the PRC government will establish a catalogue of crucial data categories and promulgate stricter regulations over the protection of such crucial data listed in the catalogue. The DSL also will introduce the concept of "National Core Data," which refers to data related to, among other topics, national security, the PRC economy, and significant public interests, and provides that stricter regulations may be imposed on such National Core Data. The cross-border transfer of domestic data as required by non-PRC judicial or enforcement authorities is also subject to the approval of competent Chinese authorities.

Compliance with the GDPR, the new ePrivacy Regulation, as well as the Cybersecurity Law and DSL in China, may involve substantial operational costs or require us to change business practices. We currently do not have a substantial presence in the European Union (other than through our channel partner network) and our business model relies on channel partners rather than direct-to-consumer sales operations. As a result, it is unlikely that we will need to incur any materials costs in the near term to comply with such privacy laws and regulations. However, given our plans to open an assembly facility in Dusseldorf, Germany, and thus establish a presence in the European Union, we will likely be required to comply with certain provisions of the GDPR and the new ePrivacy Regulation (once effective). If we are required to comply with the GDPR and ePrivacy Regulation due to our Dusseldorf facility, we will need to undertake an update of certain of our business practices, including (i) updating internal records, policies and procedures; (ii) updating publicly facing privacy notices and consent mechanisms, where required; (iii) implementing employee privacy training; (iv) appointing an individual responsible for privacy compliance; (v) implementing an inter-group data transfer agreement; (vi) reviewing/updating contracts with vendors that process data on our behalf, and (vii) implementing an audit framework. Furthermore, if we begin selling our ECVs directly to end-users in either of these markets, we would likely be required to comply with additional regulatory requirements. To the extent we become subject to any such regulations, our noncompliance could result in proceedings by governmental entities, customers, data subjects or others and may result in fines, penalties and civil litigation claims.

Our ECVs are fitted with a networking device connecting the vehicle to our proprietary cloud-based software, which enables end-users to collect data about vehicle configuration, vehicle status and user efficiency through a system of digitally enabled components, which we sometimes refer to as “smart components.” With the permission of the end-users of the vehicles, we received data collected from approximately 950 Metro® units that we put into service through an affiliated company in the Chinese market. This data included vehicle-specific data collected for operational analysis, which we used to make improvements in the quality and durability of such components. We enable end-users to collect, store and analyze data using tools that we have developed but we do not have access to this end-user collected data unless we request and receive access from the end-user. We do not currently and do not intend to collect, use or store any vehicle-specific or driver-specific data in the future in any region. If we are required in the future to comply with regulations under the GDPR, the Cybersecurity Law and the DSL (collectively, “Data Security Regulations”), this could adversely affect our business, financial condition, results of operations and prospects. Compliance with Data Security Regulations may be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with any future activities.

Any unauthorized control or manipulation of our ECV’s information technology systems could result in loss of confidence in us and our ECVs and harm our business.

Our ECVs are equipped with complex information technology systems. For example, our ECVs are designed with built-in data connectivity to improve their functionality. We have designed, implemented and tested security measures intended to prevent unauthorized access to our information technology networks, our ECVs and their systems. However, hackers may attempt in the future to gain unauthorized access to modify, alter and use such networks and ECV systems to gain control of, or to change, our ECVs’ functionality, user interface and performance characteristics, or to gain access to data stored in or generated by our ECVs. In addition, there are limited preventative measures that we can take to prevent unauthorized access to our information technology network by an employee that is knowledgeable about our information technology network and its various safeguards. We encourage reporting of potential vulnerabilities in the security of our ECVs, and we aim to remedy any reported and verified vulnerability. However, there can be no assurance that vulnerabilities will not be exploited in the future before they can be identified, or that our remediation efforts are or will be successful.

Any unauthorized access to or control of our ECVs or their systems or any loss of data could result in legal claims or proceedings. In addition, regardless of their veracity, reports of unauthorized access to our ECVs, their systems or data, as well as other factors that may result in the perception that our ECVs, their systems or data are capable of being “hacked,” could adversely affect our brand, business, financial condition, operating results and prospects.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and noncompliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition, prospects and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct activities, including the U.S. Foreign Corrupt Practices Act, or FCPA and other anti-corruption laws and regulations. The FCPA prohibits us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to a "foreign official" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. A violation of these laws or regulations could adversely affect our business, results of operations, financial condition, prospects and reputation.

We have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business. These interactions subject us to an increased level of compliance-related concerns. We are in the process of implementing policies and procedures designed to ensure compliance by us and our directors, officers, employees, representatives, consultants, agents and business partners with applicable anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations. However, our policies and procedures may not be sufficient, and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Noncompliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition, prospects and reputation. In addition, changes in economic sanctions laws in the future could adversely affect our business and investments in our shares.

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business, results of operations, financial condition and prospects.

A substantial amount of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally. The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies. In some instances, these regulatory measures could negatively impact us. For instance, the Chinese government restricts foreign direct investment in certain industries, which could in the future, if such restrictions are expanded to include the ECV industry, limit our ability to own manufacturing and research facilities in China and operate through Chinese subsidiaries.

Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our ECVs and adversely affect our competitive position. While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy but may have a negative effect on us. For example, our business, results of operations, financial condition and prospects may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate adjustments, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may also adversely affect our business, results of operations, financial condition and prospects.

The PRC government may intervene or otherwise adversely affect our operations at any time, or may exert more control over securities offerings conducted overseas and/or foreign investment in China-based issuers, which could materially affect our operations.

The PRC government may intervene or otherwise adversely affect our operations at any time, or may exert more control over securities offerings conducted overseas and/or foreign investment in China-based issuers which could materially affect our operations. For example, the PRC government has recently published new policies that significantly affected certain industries such as the education and Internet industries, and we cannot rule out the possibility that it will in the future release regulations or policies regarding the electric commercial vehicle or any other related industry that could adversely affect the business, financial condition and results of operations of our company. Furthermore, the PRC government has also recently indicated an intent to exert more oversight and control over securities offerings and other capital markets activities that are conducted overseas, as well as foreign investment in China-based companies. Rules and regulations in China can change with little advance notice. Any such action, once taken by the PRC government, could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline.

Recently, the PRC government initiated a series of regulatory actions and statements to regulate business operations in China with little advance notice, including cracking down on certain activities in the securities market, enhancing supervision over China-based companies listed overseas (particularly those using variable interest entity structures), adopting new measures to extend the scope of cybersecurity reviews (particularly for companies that process large amounts of sensitive consumer data), and expanding efforts in anti-monopoly enforcement. Since these statements and regulatory actions are new, it is highly uncertain how soon legislative or administrative bodies will respond, what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any, and the potential impact such modified or new laws and regulations will have on our daily business operations or the ability to accept foreign investments and list our securities on a U.S. or other foreign exchange.

Uncertainties with respect to the Chinese legal system could materially and adversely affect us and may restrict the level of legal protections to foreign investors.

China’s legal system is based on statutory law. Unlike the common law system, statutory law is based primarily on written statutes. Previous court decisions may be cited as persuasive authority but do not have a binding effect. Although the Supreme People’s Court has determined and issued guiding caselaw that courts should refer to when trying similar cases, it may not sufficiently cover all aspects of economic activities in China. Since 1979, the Chinese government has been promulgating and amending laws, regulations and relevant interpretations regarding economic matters, such as corporate organization and governance, foreign investment, commerce, taxation and trade. However, since these laws and regulations are relatively new, and the Chinese legal system continues to rapidly evolve, the interpretation of many laws, regulations and rules is not always uniform, and enforcement of these laws, regulations and rules may involves uncertainties, which may limit legal protections available to us.

In addition, any litigation in China may be protracted and may result in substantial costs and diversion of resources and management’s attention. The legal system in China may not provide investors with the same level of protection as in the United States. We are governed by laws and regulations generally applicable to local enterprises in China. Many of these laws and regulations are still being continuously revised and improved. Interpretation, implementation and enforcement of the existing laws and regulations can be uncertain and unpredictable and therefore may restrict the legal protections available to foreign investors.

We currently conduct substantially all of our operations through our subsidiaries established in China. Adverse regulatory developments in China may subject us to additional regulatory review or regulatory approval, and additional disclosure requirements. Also, regulatory scrutiny in response to recent tensions between the United States and China may impose additional compliance requirements for companies like ours with significant China-based operations. These developments could increase our compliance costs or subject us to additional disclosure requirements.

We currently conduct substantially all of our operations through our subsidiaries established in China. Because of our corporate structure, we and our investors are subject to unique risks due to uncertainty regarding the interpretation and application of currently enacted PRC laws and regulations and any future actions of the PRC government relating to the foreign listing of companies with significant PRC operations, and the possibility of sanctions imposed by PRC regulatory agencies, including the China Securities Regulatory Commission, if we fail to comply with their rules and regulations. For example, as a result of our PRC operations, we are subject to PRC laws relating to, among others, data security and restriction over foreign investments. Recent regulatory developments in China, in particular with respect to restrictions on China-based companies raising capital offshore, including companies that process large amounts of sensitive consumer data and companies with a variable interest entities structure, or a VIE structure, may lead to additional regulatory review or approval in China over our financing and capital raising activities in the United States. On July 10, 2021, the Cyberspace Administration of China (the "CAC") publicly solicited comments on the draft Cybersecurity Review Measures, which provides, among other things, that large data operators (i.e., over one million users) must apply for security review prior to public listings outside of China. Under the draft rules, the CAC will have jurisdiction to review and limit foreign public listings of critical information infrastructure operators (data operators in industries such as energy, water conservancy and public services) and data processors with more than one million users (for example, companies that operate consumer platforms such as ride-sharing, personal banking or retail). In addition, on July 30, 2021, in response to the recent regulatory developments in China and actions adopted by the PRC government, the Chairman of the SEC issued a statement asking the SEC staff to seek additional disclosures from offshore issuers associated with China-based operating companies before their registration statements will be declared effective, including detailed disclosure related to VIE structures and whether the VIE and the issuer, when applicable, received or were denied permission from Chinese authorities to list on U.S. exchanges and the risks that such approval could be denied or rescinded.

We may face heightened scrutiny and negative publicity, which could result in a material change in our operations or significantly limit our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline. Additionally, recent statements by PRC authorities and changes in PRC internal regulatory mandates, such as certain rules surrounding mergers and acquisitions, the Data Security Law, and rules related to entities using a variable interest entity structure, may target the Company's corporate structure and impact our ability to conduct business, accept foreign investments, or maintain a listing on a U.S. or other foreign exchange. We cannot predict the effects of future developments in the PRC legal system. We may be required in the future to procure additional permits, authorizations and approvals for our existing and future operations, which may not be obtainable in a timely fashion or at all and which could materially affect our operations as a business. The occurrence of any of the aforementioned regulatory obstacles or the inability to obtain such permits or authorizations may have a material and adverse effect on our business, financial condition and results of operations.

Increases in labor costs and enforcement of stricter labor laws and regulations in China may adversely affect our business and our profitability.

China's overall economy and the average wage in China have increased in recent years and are expected to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will increase. Unless we are able to take effective measures to reduce labor costs or pass on these increased labor costs to those who pay for our ECVs, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees, limitation with respect to utilization of labor dispatching, applying for foreigner work permits, labor protection and labor condition and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee's probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

In October 2010, the Standing Committee of the National People's Congress promulgated the PRC Social Insurance Law, which came into effect on July 1, 2011 and was amended on December 29, 2018. On April 3, 1999, the State Council promulgated the Regulations on the Administration of Housing Funds, which was amended on March 24, 2002 and March 24, 2019. Companies registered and operating in China are required under the Social Insurance Law and the Regulations on the Administration of Housing Funds to apply for social insurance registration and housing fund deposit registration within 30 days of their establishment, and to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law, as well as housing provident funds. If we are deemed to have violated relevant social insurance and housing funds regulations, we could be subject to orders by the competent authorities for rectification and failure to comply with such orders may further subject us to administrative fines or other corresponding measures.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practices may violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees or assume other responsibilities and our business, financial condition and results of operations will be adversely affected.

Fluctuations in the value of the RMB and restrictions on currency exchange may adversely affect our business.

The reporting currency of our U.S. subsidiary is the U.S. Dollar while our Chinese subsidiaries' functional currency is RMB. Our combined financial statements are presented in USD and will be affected by the foreign exchange rate of the RMB against the USD. During the years ended December 31, 2020 and 2019 and the six months ended June 30, 2021, significant portions of our revenues were derived from the sales in the European Union and United States, denominated in Euros or USD, respectively, while our costs and expenses were primarily incurred in the PRC (and denominated in RMB). The value of the RMB against the Euro, USD and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, as well as currency market conditions and other factors.

Since July 21, 2005, the RMB has been permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. During the years ended December 31, 2020 and December 31, 2019, the RMB appreciated against the USD by approximately 6.5% and depreciated against the USD by approximately 1.2%, respectively. During the six months ended June 30, 2021 and 2020, the RMB appreciated against the USD by approximately 0.05% and depreciated against the USD by approximately 1.45%, respectively. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the USD in the future.

Currency exchange rate fluctuation in either direction can negatively impact our results of operations or financial condition. Appreciation in RMB could have the effect of increasing our operating costs so long as a material amount of our current operations occur in China. Conversely, appreciation of USD against the RMB could have the effect of reducing the value of our cash and cash equivalents in China for the purpose of paying dividends.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We conduct our operations in various countries, including China, through wholly owned subsidiaries with direct equity ownership. As a result, we may rely on dividends and other distributions on equity from our PRC subsidiaries for our cash requirements. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries, which are foreign-owned enterprises, may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. At its discretion, a foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to an enterprise expansion fund, or a staff welfare and bonus fund. To date, we have not been required to set aside and fund any such statutory reserve fund, as we have, since our inception, incurred net losses.

Under applicable PRC accounting standards and regulations, intercompany transfers are accounted for under either a general account, for cash transfers in the ordinary course of business, or a capital account, for cash transfers on investments (i.e. dividends and loan repayments). With respect to our capital account, we can send capital investments to our subsidiaries for working capital and our subsidiaries can use such capital at their discretion. To the extent one of our PRC subsidiaries declares and pays a dividend, such subsidiary must pay a transfer tax of 15% to repatriate any profit distributed to the U.S. Our PRC subsidiaries, as Wholly Foreign Owned Enterprises (WFOEs) under PRC law, can make dividends up to CAG HK without prior PRC regulatory approval. However, any such subsidiary is limited in its ability to make dividends while that subsidiary has either net losses in the current period or accumulated net losses from prior periods and will only be able to pay dividends during periods in which it has positive net income and no accumulated net losses. We have not made any cash distributions or transfers of other assets between us and any of our subsidiaries. To date, there have been no net profits recognized at any of our PRC subsidiaries and thus there have not been any dividends or distributions made by any of our subsidiaries. With respect to our general account, our subsidiaries purchase and pay for materials and parts, and receive funds for the sale of vehicle kits and vehicles. There is no PRC government approval required for transactions in our general account, where funds can be sent and received in the ordinary course of business freely without government approvals.

Revenue generated in Renminbi by our PRC Subsidiaries is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiaries to use their Renminbi revenues to pay dividends to us.

The PRC government may continue to strengthen its capital controls and more restrictions and substantial vetting processes may be put forward by the State Administration of Foreign Exchange, or SAFE, for cross-border transactions. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. In addition, the *Enterprise Income Tax Law* and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

Changes in U.S. and international trade policies, particularly with regard to China, may adversely impact our business and operating results.

Since the beginning of 2018, there has been increasing rhetoric, in some cases coupled with legislative or executive action, from several U.S. and foreign leaders regarding tariffs against foreign imports of certain materials. More specifically, there have been several rounds of U.S. tariffs on Chinese goods taking effect in the past few years, some of which prompted retaliatory Chinese tariffs on U.S. goods. The institution of trade tariffs both globally and between the U.S. and China specifically carries the risk of negatively affecting both countries' overall economic condition. If these tariffs continue or additional new tariffs are imposed in the future, they could have a negative impact on us as we have significant operations in China.

The Chinese government has adopted legislation and new regulations designed to counteract U.S. trade policies towards China, including the Anti-Foreign Sanctions Law and the Ministry of Commerce of the People's Republic of China Order No. 1 of 2021 on Rules on Counteracting Unjustified Extraterritorial Application of Foreign Legislation and Other Measures. Pursuant to the Anti-Foreign Sanctions Law, all entities and individuals (including subsidiaries of multinational companies and foreign citizen) in China (including Hong Kong and Macao) risk being on the anti-sanctions list if they are deemed to aid and abet in the implementation of sanctions imposed by foreign countries. Continuing trade tensions between China and the United States could adversely affect our business and our operations.

It may be difficult for overseas regulators to conduct investigations or collect evidence within China.

Stockholder claims or regulatory investigations that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigations or evidence collection activities within China may further increase difficulties faced by you in protecting your interests.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from making loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Under PRC laws and regulations, we are permitted to utilize the proceeds of any financing outside China to fund our PRC subsidiaries by making loans to or additional capital contributions to our PRC subsidiaries, subject to applicable government registration, statutory limitations on amount and approval requirements. These PRC laws and regulations may limit our ability to use Renminbi converted from the net proceeds of any financing outside China to make future loans to our PRC subsidiaries or future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law.

SAFE requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes certain material events.

If our stockholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing their profits and any proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with SAFE registration requirements could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interests in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our stockholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain, any applicable registrations or approvals required by, SAFE regulations. Failure by such stockholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Under SAFE regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company may be required to register with SAFE or its local branches and complete certain other procedures. We and our PRC resident employees who participate in our share incentive plans may become subject to these regulations. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law.

You may experience difficulties in enforcing foreign judgments or bringing actions in China against us based on foreign laws.

The recognition and enforcement of foreign judgments in China are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, PRC courts will not enforce a foreign judgment if they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States against any of our subsidiaries or assets located in China.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

References in this section to "we," "us" and "our" are to Cenntro and its subsidiaries. This disclosure, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business," contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained herein, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our future financial performance, including expectations regarding our revenue, expenses and other operating results;
- our ability to establish new channel partners and successfully retain existing channel partners;
- our ability to anticipate market needs and develop and introduce new and enhanced vehicles to adapt to changes in our industry;
- our ability to achieve or sustain profitability;
- our ability to successfully enter new geographic markets and manage our international expansion;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- our expectations concerning relationships with our supply chain providers;
- our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit and retain skilled personnel;
- our ability to protect our intellectual property rights and any costs associated therewith;
- the inherent risks related to the electric commercial vehicle industry;
- our ability to compete effectively with existing and new competitors; and
- our compliance with applicable regulatory developments and regulations that currently apply or become applicable to our business.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained herein primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" and elsewhere herein. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained herein. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, performance, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date hereof, and while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in herein relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made herein to reflect events or circumstances after the date hereof or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

CENNTRO'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our combined financial statements and related notes included herein. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

The financial statements included herein are the combined financial statements of CEG, CAC and CAG HK (together, "Cenntro") and its subsidiaries. References to "dollars," "$," "U.S. dollars" and "USD" refer to United States dollars. For detailed information regarding the business of each subsidiary of Cenntro, please refer to "Business — Subsidiary Information." Our fiscal year ends on December 31. References to "homologate" or "homologation" refer to the process of obtaining regulatory approval for marketing of vehicles in a jurisdiction. References in this section to "we," "us" and "our" are to Cenntro and its subsidiaries.

Overview

We are a designer and manufacturer of electric light- and medium-duty commercial vehicles ("ECVs"). Our purpose-built ECVs are designed to serve a variety of corporate and governmental organizations in support of city services, last-mile delivery and other commercial applications. As of June 30, 2021, we have sold or put into service more than 3,100 units of our first ECV model, the Metro®, in 16 countries across North America, Europe and Asia. The Metro® has been driven over seven million miles by commercial end-users in China alone. We plan to introduce four new ECV models to serve the light- and medium-duty market by the end of 2021. Our mission is to leverage our technological and research and development capabilities in areas such as vehicle design, digital component development, vehicle control software, and "smart" driving to become a technology leader in the ECV market.

We have established an asset-light, distributed manufacturing business model through which we can distribute our unique modular vehicles in unassembled semi-knockdown vehicle kits ("vehicle kits") for local assembly in addition to fully assembled vehicles. Our business model allows us to both (i) design, manufacture, assemble, homologate and sell ECVs to third parties for distribution and service to end-users and (ii) distribute manufactured vehicle kits, which are then assembled, homologated, sold and serviced by third parties in their respective markets. We refer to these third parties as our "channel partners." Each of our vehicle models has a modular design that allows for local assembly in small factory facilities that require less capital investment. We currently manufacture our own vehicle kits for the Metro® in our facilities in China. We plan to leverage the economies of scale of our manufacturing partners in China to manufacture vehicle kits for each of our new models for local assembly at our facilities in the United States and Europe to further reduce overhead costs compared to our competitors. We believe our distributed manufacturing methodology allows us to execute our business plan with less capital than would be required by the traditional, vertically integrated automotive model and, in the long-term, drive higher profit margins.

We began pilot production of our first-generation, U.S. Class 1 (0 – 6,000 lbs.), electric light-duty commercial vehicle, the Metro®, in 2018, and, as of June 30, 2021, we have sold approximately 1,800 units in over 16 countries across Europe, North America and Asia, and put into service approximately 1,300 additional units in China through affiliated parties. The Metro® is a customizable ECV used in commercial applications such as city services (i.e., street cleaners, firetrucks, food trucks and garbage trucks) and last-mile delivery. The Metro® was "born electric," meaning that, unlike many other ECVs that are converted from existing internal combustion engine vehicle ("ICE") designs, the Metro® was purpose-built from inception to be highly cost-effective and energy efficient, implementing a number of proprietary design elements including a lightweight structure and efficient power system. With our developed supply chain and relationships with component vendors and our growing channel partner network, we believe we are in position for larger scale production and distribution of the Metro®. For the year ended December 31, 2020 and the six months ended June 30, 2021, we generated $4.8 million and $2.0 million in revenue from the sales of our Metro®, respectively.

Since our inception, we have invested resources in the research and development not only of ECV design and manufacturing processes, but also in digitally enabled components, intra-vehicle communication, vehicle control and vehicle automation, or what we collectively refer to as "vehicle digitization." We have developed a prototype system-on-chip (which we sometimes refer to as an "SOC") for vehicle control and an open-platform, programmable chassis, with potential for both programmable and autonomous driving capabilities. We have also designed and developed in-house a proprietary telematics box, sometimes referred to as a T-Box, which allows our ECVs to send and receive data relating to location, speed, acceleration, braking and battery consumption, among others, to end-users. Additionally, our engineers have worked closely with certain of our qualified suppliers to co-design digitally enabled components in areas such as steering, braking, acceleration and signaling.

We plan to introduce four new ECV models in 2021, which are designed for specific geographic markets and to address additional commercial applications. The CityPorter™ is a U.S. Class 4 (over 14,000 lbs.) medium-duty electric commercial truck designed to meet U.S. city delivery and service needs. We completed homologation of the CityPorter™ in the United States in the third quarter of 2021. The CityPorter™ is expected to be commercially available in the United States during the fourth quarter of 2021. The CityPorter™ will be offered in four configurations: cargo-box, van, flatbed truck, and basic chassis for upfitters. The Neibor® 200 is a European Union and UK L7e (heavy quadricycle) Class compact electric commercial vehicle designed to meet European neighborhood delivery and neighborhood service needs. The Neibor® 200 is expected to be homologated and commercially available in the European market in the fourth quarter of 2021. The Logistar™ is a European Union N1 Class electric commercial vehicle designed to meet the European Union's city delivery and city service requirements and complement the smaller Neibor® 200 model. It is expected to be homologated and commercially available in the European market in the fourth quarter of 2021. We are also developing the Terramak™, an off-road electric commercial vehicle for U.S. off-road use with essentially no homologation requirements and limited certification requirements. The Terramak™ is currently in preparation for production and is expected to be commercially available in the United States during the fourth quarter of 2021.

We have also developed the e-Portee, an open-platform and programmable chassis product. The e-Portee is designed to be a basic modular building block for use by auto makers and special vehicle upfitters in the design of automated or autonomous driving vehicles. Through our advancements in vehicle digitization and smart components, we have equipped the e-Portee with digital control capabilities. The e-Portee allows third-party developers to integrate detection devices (i.e., lidar, radar, ultra-sound, infrared and other sensory devices) and third-party or proprietary decision-making software to allow for vehicles based on the programmable chassis to be driven autonomously.

The electrification of the global automotive industry has been a major policy focus of governments worldwide. Certain countries, such as the United States, China, Canada, Germany, and various other European countries, have announced aggressive electric vehicle ("EV") initiatives designed to reduce carbon emissions, through the replacement of fossil fuels, and have begun incentivizing the development and sale of ECVs through government subsidy programs. According to the F&S Report, total sales volume of light-duty ECVs in the European Union are expected to increase from approximately 21,000 units in 2019 to approximately 204,900 units in 2024, representing a CAGR of 57.7%, and total sales volume of light ECVs in the United States will increase from less than a thousand units in 2019 to approximately 52,600 units in 2024.

Regionalize Manufacturing and Supply Chain

We plan to regionalize the manufacturing and supply chain relating to certain key components of our ECVs, such as vehicle frames and battery packs, in the geographic markets in which our ECVs are sold. In the long-term, through our deep supply chain development know-how, we plan to geographically expand our supply chain to support our planned growth. More specifically, we intend to establish supply chain relationships in North America and the European Union to support our manufacturing and assembly needs in these markets, thereby reducing the time in transit and potentially the duties associated with importing our components and spare parts from China. We believe we can reduce the overall cost of ECV assembly in certain geographical markets by shifting to a "merge in transit" model, whereby component shipments from suppliers, including local market suppliers, are consolidated at our local assembly facilities for final ECV assembly, in contrast with our current model which integrates all components into vehicle kits or fully assembled vehicles in our manufacturing facilities in China. We believe that investing in the regionalization of our manufacturing and supply chain can ultimately provide significant benefits to us and our channel partners. We believe sourcing our ECV components and manufacturing, assembling and selling our ECVs regionally can help us reduce costs associated with import/export taxes and shipping, further reducing vehicle production costs. In addition, we believe that regionalizing our manufacturing and supply chain will help support and strengthen our brand in the markets in which our ECVs are sold, as our operations become integrated into those markets.

Expand Our Channel Partner Network and Assembly and Supporting Facilities

As of June 30, 2021, we have established business relationships with 16 channel partners in 13 countries, including the United States, Germany, Korea, Spain, Italy and Mexico, and two assembly partners in China. We plan to expand our channel partner network and increase the number of our assembly facilities in the United States, the European Union and, in the long-term, Japan. As our channel partner network and Cenntro facility footprint grows, we expect to penetrate a broader segment of the global market and increase our sales volume and product offerings. We expect to add up to 16 additional channel partners in 2022.

In 2021, we opened a local assembly facility in Freehold, New Jersey for trial production of our CityPorter™ and Terramak™ vehicles. We also have established warehousing services with a logistics company in Budapest, Hungary to house spare parts for our Metro® models. We are also in the process of establishing local assembly facilities in Dusseldorf, Germany, where we intend to assemble the Metro®, the Logistar™ and the Neibor® 200 for sales within the European Union, and in Jacksonville, Florida, where we plan to assemble the CityPorter™ and the Terramak™ for distribution to our channel partners for sales in the North American market. We believe establishing a local assembly facility in Dusseldorf will provide us with access to well-established hardware and logistics systems and trained personnel.

We believe that augmenting our channel partner network, assembly facilities and support centers together with regionalizing our supply chain will enhance brand recognition, provide economic advantages and reduce time to market for our ECVs.

Relocating Accounting Functions

Historically, substantially all of our accounting oversight and consolidation functions were conducted in China. However, we are currently taking measures to relocate certain critical accounting functions to the United States. Specifically, we intend to migrate and maintain critical operational, technical and financial data and accounting records in our U.S. headquarters in New Jersey, United States. We plan to complete the relocation of critical accounting functions and data in 2022.

Material Weakness in Internal Control Over Financial Reporting

Recently, management identified a material weakness in our internal control over financial reporting. Specifically, our material weakness is that we do not have adequate accounting staff generally in our finance and accounting department, particularly with respect to (i) the preparation of financial statements prepared in accordance with GAAP and the inclusion of proper disclosures in the related footnotes, and (ii) the design, documentation and implementation of internal controls surrounding risk management and financial reporting processes.

Management has taken and is continuing to take actions to remediate this material weakness and is taking steps to strengthen our internal control over financial reporting and risk management, such as the hiring of an experienced Chief Financial Officer, Mr. Edmond Cheng, in April 2021. We intend to hire additional personnel with greater familiarity with GAAP and SEC reporting requirements and will have an audit committee with significant experience in overseeing the preparation of financial statements in accordance with GAAP and compliance with SEC reporting requirements. Additionally, with the assistance of outside consultants, we plan to (i) further develop and implement formal policies, processes and documentation procedures relating to our financial reporting as well as (ii) address the accounting function's staffing needs and training and build out an internal audit function. We cannot assure you that the measures we have taken to date will be sufficient to remediate the material weakness we identified or avoid the identification of additional material weaknesses in the future. To the extent we are unable to remediate this material weakness or unable to identify future material weaknesses in our internal control over financial reporting, such material weakness could severely inhibit our ability to accurately report our financial condition or results of operations and could cause future investors to lose confidence in the accuracy and completeness of our financial reports, we could become subject to litigation from investors and stockholders, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Key Factors Affecting Operating Results

Impact of COVID-19 Pandemic on the Company

The COVID-19 pandemic and associated containment measures have caused economic and financial disruptions globally, affecting regions in which we sell our ECVs and conduct our business operations. We are unable to predict the full impact the pandemic may have on our results of operations, financial condition, liquidity, and cash flows due to numerous uncertainties, including the progression of the pandemic, governmental and other responses, vaccine availability and effectiveness, the growth and impact of variants (including the Delta variant) and the timing of economic recovery. We are also unable to predict the extent of the impact of the pandemic on our customers, suppliers, and other partners, which could materially adversely affect demand for our ECVs and our results of operations and financial condition. For the year ended December 31, 2020 and the six months ended June 30, 2021, the COVID-19 pandemic contributed to uncertainty in the demand environment for our ECVs. Our business was adversely affected by supply constraints resulting from the pandemic that affected the timing of shipments of certain components in desired quantities or configurations. During the early stages of the pandemic, our facilities were completely closed for more than one month, our ability to ship into the European Union was halted and we had no new orders for our ECVs between March 2020 through October 2020. Additionally, the pandemic negatively impacted our channel partner network, including opportunities to grow the network, and most of our channel partners at least temporarily shut down their businesses. During the six months ended June 30, 2021, our business was negatively impacted by the resurgence of COVID-19. Our supply chains and manufacturing were impacted by lock-downs and containment measures implemented by local governments. As a result, production lead times for our existing models as well as the release dates of our new models were extended. Additional COVID-related precautionary measures taken at ports have resulted in delays in customs clearing. The resurgence of COVID-19 may also adversely impact our inventory and account receivables collection cycle, which may negatively affect our liquidity position.

Measures taken to contain the COVID-19 pandemic, such as travel restrictions, quarantines, shelter-in-place, and shutdowns, have affected and may continue to affect our workforce and operations, and those of our vendors, suppliers, and channel and assembly partners. Restrictions on our operations or workforce, or similar limitations for others, may affect our ability to meet customer demand. We have taken and will continue to take risk mitigation actions that we believe are in the best interests of our employees, customers, suppliers, and other partners. Work-from-home and other measures may create additional operational risks, including heightened cybersecurity risks. These measures may not be sufficient to mitigate the risks posed by the virus, and illness and workforce disruptions could lead to unavailability of key personnel and impair our ability to perform critical functions.

We are closely monitoring the development of the COVID-19 pandemic. The COVID-19 pandemic may continue to cause disruption and volatility in the global debt and capital markets, which may increase our cost of capital and adversely affect our access to capital. The COVID-19 pandemic may adversely affect our business, results of operations, and financial condition and it also may have the effect of exacerbating the other risks discussed in the "Risk Factors" section included herein. Developments related to the COVID-19 pandemic have been unpredictable, and additional impacts and risks may arise that we are not aware of or are not able to respond to in an effective manner.

New ECV Models

We plan to introduce four new ECV models in 2021, which are designed for specific geographic markets and to address additional commercial applications. The CityPorter™ recently underwent homologation in the United States in the third quarter of 2021 and is expected to be commercially available in the United States during the fourth quarter of 2021. The Neibor® 200 is expected to be homologated and commercially available in the European market in the fourth quarter of 2021. The Logistar™ is expected to be homologated and commercially available in the European market in the fourth quarter of 2021. The Terramak™ is currently in preparation for production and is expected to be commercially available in the United States during the fourth quarter of 2021.

Channel Partner Network

We have established our channel partner network to distribute our ECVs in a number of markets around the world. We believe our channel partner network provides significant advantages to us as we are able to outsource the cost of marketing, distribution and maintenance (and in some markets, homologation) to businesses with local know-how in their respective markets and avoid the cost of developing this local know-how. As of June 30, 2021, we had established business relationships with 16 channel partners in 13 countries. We expect to add up to 16 additional channel partners in 2022.

Government Incentives in the ECV Market

Many governments around the world, including the United States, China, Germany, and various other European countries, are regulating vehicle emissions and fuel economy standards and offering incentives to commercial and government operators to purchase more energy efficient vehicles. Incentive programs and new regulations affecting passenger and commercial vehicles vary by country. However, there is strong sentiment to reduce global greenhouse gas emissions from leading governments. We believe that increasing government regulations and incentives, together with shifting consumer preferences, will encourage significant growth in the market for ECVs.

Improvements in Battery Technology

Battery costs have decreased significantly over the past decade and, in the long run, prices are expected to continue to fall. According to research service BloombergNEF (BNEF), lithium-ion battery pack prices decreased from above $1,100 per kilowatt-hour in 2010 to $137/kWh in 2020 in real terms, representing a decline of approximately 89%. In addition, BNEF forecasts that by 2023 average prices are expected to fall to as low as $100/kWh. Although battery pack prices have increased and may continue to increase in the near-term due to the rising price of lithium as a result of COVID-19 and other factors, we anticipate that battery prices will continue to decrease in the long-term. As investment in battery technology continues to increase, we believe these cost reductions will continue to improve the economics of battery-powered ECVs.

Key Components of Results of Operations

Net revenues

We generate revenue primarily through the sale of ECVs to our channel partners. Currently, these revenues are generated solely by the sale of the Metro® but we anticipate that by the end of 2021, we will also be generating revenue from the sales of the CityPorter™ and the Terramak™ in North America and the Neibor® 200 and Logistar™ in Europe.

Net revenues during the years of 2020 and 2019 and the six months ended June 30, 2021 and 2020 were generated from (a) vehicles sales, which primarily represent net revenues from sales of Metro® vehicles (including vehicle kits), (b) sales of ECV spare-parts related to our Metro® vehicles, and (c) other sales, which primarily were: (i) the sales of inventory of tractors and farming equipment, which product lines had been suspended since 2017, and (ii) charges on services provided to channel partners for technical developments and assistance with vehicle homologation or certification.

Cost of goods sold

Cost of goods sold mainly consists of production-related costs including costs of raw materials, consumables, direct labor, overhead costs, depreciation of properties, plants and equipment, manufacturing waste treatment processing fees and inventory write-downs. We incur cost of goods sold in relation to (i) vehicle sales and spare-part sales, including, among others, purchases of raw materials, labor costs, and manufacturing expenses that related to ECVs, and (ii) other sales, including cost and expenses that are not related to ECV sales. We believe the average cost per vehicle may continue to decrease because we expect our cost of material and parts to decrease as our vehicle production volume increases. However, in the short term, certain components and materials may increase in price due to shortages in certain inputs such as semiconductors. We also anticipate the price of battery packs, the largest portion of our vehicle production cost, will decrease in the long-term, though prices have increased and may continue to increase in the near-term due to the rising price of lithium as a result of COVID-19 and other factors.

Cost of goods sold also includes inventory write-downs. Inventories are stated at the lower of cost or net realizable value. The cost of raw materials is determined on the basis of weighted average. The cost of finished goods is determined on the basis of weighted average 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 cost of goods sold in our combined statements of operations and comprehensive loss.

Operating expenses

Our operating expenses consist of general and administrative, selling and marketing expenses, and research and development expenses. General and administrative expenses are the most significant components of our operating expenses. Operating expenses also include provision for doubtful accounts.

Research and Development Expenses

Research and development expenses consist primarily of employee compensation and related expenses, prototype expenses, costs associated with assets acquired for research and development, product development costs, production inspection and testing expenses, product strategic advisory fees, third-party engineering and contractor support costs and allocated overhead. We expect our research and development expenses to increase as we continue to invest in new ECV models, new materials and techniques, vehicle management and control systems, digital control capabilities and other technologies. For the year ending December 31, 2021, we expect our research and development expenses to materially increase in connection with the launch of our new ECV models, including the CityPorter™, Neibor® 200, Terramak™ and Logistar™, and other research and development investments in support of our growth strategy, including vehicle digitization.

Selling and Marketing Expenses

Selling and marketing expenses consist primarily of employee compensation and related expenses, sales commissions, marketing programs, freight costs, travel and entertainment expenses and allocated overhead. Marketing programs consist of advertising, tradeshows, events, corporate communications and brand-building activities. We expect our selling and marketing expenses to increase as we introduce our new ECV models, further develop additional channel partners and expand our sales globally.

General and Administrative Expenses

General and administrative expenses consist primarily of employee compensation and related expenses for administrative functions including finance, legal, human resources and fees for third-party professional services, and allocated overhead. While we will continue to monitor general and administrative expenses, over the next two years, we expect general and administrative expenses to materially increase in connection with the execution of our growth strategy, including the regionalization of our manufacturing and supply chain and expanded product offerings and expenses relating to operating as a public company.

Provision for doubtful accounts

Accounts receivable are recognized and carried at net realizable value. A provision for doubtful accounts is recorded for periods in which we determine a loss is probable, based on our assessment of specific factors, such as troubled collections, historical experience, accounts aging, ongoing business relations and other factors. Account balances are charged off against the provision after all means of collection have been exhausted and the potential for recovery is considered remote.

Other income (expenses)

Interest expense, net

Interest expense, net, consists of interest on outstanding loans and other borrowings. We plan to continue to reduce our loan balance in the future to reach an optimal debt to equity ratio.

Gain from disposal of land use rights and properties

Land in China is owned by the government and land ownership rights cannot be sold to an individual or to a private company. However, the Chinese government grants the user a "land use right" to use the land. On November 9, 2020, we sold our land use rights and properties related to the Shengzhou facility to a third party for an aggregate amount of approximately $34.3 million and recognized a gain of approximately $7.0 million for the year ended December 31, 2020.

Loss from and impairment on equity method investments

Entities over which we have the ability to exercise significant influence but do not have a controlling interest through investment in common shares or in-substance common shares, are accounted for using the equity method. Under the equity method, we initially record our investment at cost and subsequently recognize our proportionate share of each such entity's net income or loss after the date of investment into the combined statements of operations and comprehensive loss and accordingly adjusts the carrying amount of the investment. When our share of losses in the equity of such entity equals or exceeds our interest in the equity of such entity, we do not recognize further losses, unless we have incurred obligations or made payments or guarantees on behalf of such entity. An impairment charge is recorded when the carrying amount of the investment exceeds its fair value and this condition is determined to be other-than-temporary. The adjusted carrying amount of the assets become new cost basis.

Key Operating Metrics

We prepare and analyze operating and financial data to assess the performance of our business and allocate our resources. The following table sets forth our key performance indicators for the years ended December 31, 2020 and 2019 and the six months ended June 30, 2021 and 2020.

	Six Months Ended June 30,		Year Ended December 31,	
	2021	2020	2020	2019
		(Unaudited)		
Gross margin of vehicle sales	31.5%	33.7%	25.0%	22.3%
Adjusted EBITDA	$ (2,779,619)	$ (2,796,685)	$ 1,617,927	$ (11,035,737)

Gross margin of vehicle sales. Gross margin of vehicle sales is defined as gross profit of vehicle sales divided by total revenue of vehicle sales.

Adjusted EBITDA. We define Adjusted EBITDA as net (loss)/income before net interest expense, income tax expense and depreciation and amortization as further adjusted to exclude the impact of stock-based compensation expense. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors because not all companies and analysts calculate Adjusted EBITDA in the same manner. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations. See "—Non-GAAP Financial Measures."

Results of Operations

Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

The following table sets forth a summary of our combined statements of operations for the periods indicated:

	Six Months Ended June 30,	
	2021	**2020**
	(Unaudited; expressed in U.S. Dollars)	
Combined Statements of Operations Data:		
Net revenues	$ 2,455,726	$ 1,759,454
Cost of goods sold	(2,005,426)	(1,742,985)
Gross profit	**450,300**	**16,469**
Operating Expenses:		
Selling and marketing expenses	(262,372)	(351,745)
General and administrative expenses	(4,160,852)	(4,041,107)
Research and development expenses	(637,067)	(721,535)
Reversal of (provision for) doubtful accounts	78,653	(204,552)
Total operating expenses	(4,981,638)	(5,318,939)
Loss from operations	**(4,531,338)**	**(5,302,470)**
Other Income (Expense):		
Interest expense, net	(417,826)	(739,418)
Loss from equity method investments	—	(324,094)
Other income, net	402,333	82,067
Loss before income taxes	(4,546,831)	(6,283,915)
Income tax expense	—	—
Net loss	**(4,546,831)**	**(6,283,915)**
Less: net loss attributable to non-controlling interests	(4,264)	(21,188)
Net loss attributable to shareholders	**$ (4,542,567)**	**$ (6,262,727)**

Net Revenues

The following table presents our net revenue components by amount and as a percentage of the total net revenues for the periods presented.

	Six Months Ended June 30,			
	2021		2020	
	Amount	%	Amount	%
	(Unaudited; expressed in U.S. Dollars)			
Net revenues:				
Vehicle sales	$ 2,007,538	81.75%	$ 1,463,334	83.17%
Spare-part sales	81,073	3.30%	106,685	6.06%
Other sales	367,115	14.95%	189,435	10.77%
Total net revenues	**$ 2,455,726**	**100%**	**$ 1,759,454**	**100%**

Net revenues for the six months ended June 30, 2021 were approximately $2.5 million, an increase of $0.7 million or approximately 39.6% from approximately $1.8 million for the six months ended June 30, 2020. The increase in net revenues in the first six months of 2021 was primarily attributed to an increase in vehicle sales of approximately $0.5 million, including a 50% increase in the volume of Metro® unit sales.

For the six months ended June 30, 2021, we sold 273 ECVs, including 234 Metro® vehicle kits and 39 fully assembled Metro® units, compared with 191 ECVs, including 155 Metro® vehicle kits, 27 fully assembled Metro® units and 9 smaller ECVs manufactured by Zhejiang Xbean for the six months ended June 30, 2020.

Geographically, the majority of our net revenues were generated from vehicle sales in the European Union during the six months ended June 30, 2021 and 2020. For the six months ended June 30, 2021, net revenues from vehicle sales in Europe, North America, and Asia as a percentage of total vehicle net revenues was 56.7%, 22.5%, and 20.8%, respectively, compared to 84.0%, 8.0%, and 8.0%, respectively for the corresponding period in 2020. Sales in the US increased for the first six months of 2021 compared to the prior six month period. The increase in sales in the Asia market is primarily attributable to an increase of sales in South Korea. We do not expect to sell any meaningful amounts of vehicles in China in the near future.

Cost of goods sold

The following table presents our cost of goods sold by amount and as a percentage of the total net revenues for the periods presented.

	Six Months Ended June 30,			
	2021		2020	
	Amount	%	Amount	%
	(Unaudited; expressed in U.S. Dollars)			
Cost of goods sold:				
Vehicle sales	$ (1,375,140)	68.57%	$ (969,586)	55.63%
Spare-part sales	(39,867)	1.99%	(49,927)	2.86%
Other sales	(77,237)	3.85%	(181,090)	10.39%
Inventory write-down	(513,182)	25.59%	(542,382)	31.12%
Total cost of goods sold	**$ (2,005,426)**	**100%**	**$ (1,742,985)**	**100%**

Cost of goods sold for the six months ended June 30, 2021 was approximately $2.0 million, an increase of approximately $0.3 million or approximately 15.1% from approximately $1.7 million for the six months ended 30, 2020. The increase in cost of goods sold for the first six months of 2021 was primarily attributable to the increase of the number of vehicles sold to our channel partners and an increase in the costs of certain inputs, such as the higher-quality vehicle exterior components that we have introduced since the prior period in 2020. The increase in the cost of goods sold for the six months ended June 30, 2021 was partially offset by a decrease in the write-downs of raw material inventories and declining battery price. During the six months ended June 30, 2021, the volume of Metro® units sold increased 50.0%.

Inventory write-downs for the six months ended June 30, 2021 were approximately $0.51 million, a decrease of approximately $0.03 million or approximately 5.4% from approximately $0.54 million for the six months ended June 30, 2020. The inventory write-downs for the first six months of 2021 primarily resulted from the full assessment of inventory during the relocation of our factory from Shengzhou to Changxing, China.

Gross Profit

Gross profit for the six months ended June 30, 2021 was approximately $0.5 million, an increase of approximately $0.4 million from approximately $0.02 million for six months ended June 30, 2020. For the six months ended June 30, 2021 and 2020, our overall gross margin was approximately 18.3% and approximately 0.9%, respectively, and our gross margin for Metro® vehicle sales was approximately 31.5% and approximately 32.2%, respectively, representing a 0.7% decrease. The increase in our overall gross margin of approximately 17.4% during such periods was primarily driven by the decrease of obsolete inventory.

Selling and Marketing Expenses

Selling and marketing expenses for the six months ended June 30, 2021 were approximately $0.3 million, a decrease of approximately $0.1 million or approximately 25.4% from approximately $0.4 million for the six months ended June 30, 2020. The decrease in selling and marketing expenses for the first six months of 2021 compared to the prior period was primarily attributable to a reduction in the vesting of share-based compensation, reduction in salary and social insurance expense, and reductions in after-sale service costs of approximately $0.08 million, $0.5 million and $0.04 million, respectively, offset by increased inland shipping costs and marketing expenses of approximately $0.03 million and $0.05 million, respectively.

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2021 were approximately $4.2 million, an increase of approximately $0.2 million or approximately 3.0% from approximately $4.0 million for the six months ended June 30, 2020. The increase in general and administrative expenses for the first six months of 2021 was primarily attributable to an increase in salary and related expenses of approximately $1.2 million, relating to our efforts to transfer administration and finance functions to the United States. This increase in general and administrative expenses was offset by the decrease in non-recurring property tax expenses of approximately $0.4 million, relating to land use rights and buildings that were sold in 2020, the decrease in depreciation and amortization expense of $0.5 million and a decrease in share-based compensation expense of approximately $0.6 million, as material portions of the options granted to our employees in 2016 fully vested during the years ended December 31, 2020 and 2019.

Research and Development Expenses

Research and development expenses for the six months ended June 30, 2021 were approximately $0.6 million, a decrease of approximately $0.1 million or approximately 11.7% from approximately $0.7 million for the six months ended June 30, 2020. The decrease in research and development expenses for the first six months of 2021 was primarily attributable to a decrease in share-based compensation expense of approximately $0.3 million, as material portions of the options granted to our employees in 2016 fully vested during the years ended December 31, 2020 and 2019. The decrease of research and development expenses was offset by an increase in design and development expenses of approximately $0.1 million and an increase of salary and related expenses of approximately $0.05 million.

Reversal of (provision for) doubtful accounts

Reversal of doubtful accounts for the six months ended June 30, 2021 was approximately $0.1 million, a decrease of approximately $0.3 million from provision for doubtful accounts of approximately $0.2 million for the six months ended June 30, 2020. The reduction in provision for doubtful accounts for the first six months of 2021 was primarily attributable to improvements in collections of our outstanding receivables.

Interest expense, net

Interest expense, net, consists of interest on outstanding loans and other borrowings. Net interest expense was approximately $0.4 million for the six months ended June 30, 2021, a decrease of approximately $0.3 million or approximately 43.5% compared to the approximately $0.7 million for the six months ended June 30, 2020. The decrease in net interest expense was primarily attributable to the non-recurring interest accrued in the prior period in 2020 on bank loans that we fully repaid in November 2020.

Loss from equity method investments

Loss from equity method investments decreased approximately $0.3 million or 100% from approximately $0.3 million for the six months ended June 30, 2020 to nil for the six months ended June 30, 2021.

Other income, net

Other income, net for the six months ended June 30, 2021 was approximately $0.4 million, representing an increase of approximately $0.3 million or approximately 390.3% compared to approximately $0.1 million for the six months ended June 30, 2020. The increase in other income, net, in the first six months of 2021 compared to the corresponding period of 2020 was primarily attributable to the gain on disposal of a dormant subsidiary during the period, gain on disposal of properties and equipment and the change of an exchange gain from an exchange loss of approximately $0.1 million, $0.1 million and $0.1 million, respectively.

Comparison of the Years Ended December 31, 2020 and December 31, 2019

The following table sets forth a summary of our combined statements of operations for the periods indicated:

	Year Ended December 31,	
	2020	2019
	(Expressed in U.S. Dollars)	
Combined Statements of Operations Data:		
Net revenues	$ 5,460,003	$ 3,575,887
Cost of goods sold	(4,889,850)	(3,699,741)
Gross profit/(loss)	**570,153**	**(123,854)**
Operating Expenses:		
Selling and marketing expenses	(783,763)	(964,471)
General and administrative expenses	(8,735,534)	(10,959,203)
Research and development expenses	(1,365,380)	(2,145,884)
Provision for doubtful accounts	(319,816)	(3,598,506)
Total operating expenses	(11,204,493)	(17,668,064)
Loss from operations	**(10,634,340)**	**(17,791,918)**
Other Income (Expense):		
Interest expense, net	(1,411,558)	(1,058,795)
Loss from and impairment on equity method investments	(330,103)	(1,235,306)
Gain from disposal of land use rights and properties	7,005,446	—
Other income, net	173,624	580,549
Loss before income taxes	(5,196,931)	(19,505,470)
Income tax expense	—	—
Net loss	**(5,196,931)**	**(19,505,470)**
Less: net loss attributable to non-controlling interests	(31,039)	(39,455)
Net loss attributable to shareholders	**$ (5,165,892)**	**$ (19,466,015)**

Net Revenues

The following table presents our net revenue components by amount and as a percentage of the total net revenues for the periods presented.

	Year Ended December 31,			
	2020		2019	
	Amount	%	Amount	%
	(Expressed in U.S. Dollars)			
Net revenues:				
Vehicle sales	$ 5,037,454	92.26%	$ 3,224,794	90.18%
Spare-part sales	163,142	2.99%	257,303	7.20%
Other sales	259,407	4.75%	93,790	2.62%
Total net revenues	**$ 5,460,003**	**100%**	**$ 3,575,887**	**100%**

Net revenues for the year ended December 31, 2020 were approximately $5.5 million, an increase of $1.9 million or approximately 52.7% from approximately $3.6 million for the year ended December 31, 2019. The increase in net revenues in 2020 was primarily attributed to increase in vehicle sales by approximately $1.8 million, including an increase of approximately 80.9% in the sale of Metro® units.

For the year ended December 31, 2020, we sold 707 ECVs, including 467 Metro® vehicle kits, 122 fully assembled Metro® units and 118 smaller ECVs manufactured by Zhejiang Xbean, one of our consolidated subsidiaries for sale and distribution in China, compared with 342 ECVs for the year ended December 31, 2019, including 271 Metro® vehicle kits, 53 fully assembled Metro® units and 18 smaller ECVs manufactured by Zhejiang Xbean. Starting in 2019, we improved our Metro® vehicles by upgrading battery components (such as including lithium-ion batteries) and adding features such as airbags, air conditioning and advanced brake systems. In 2020, we continued to distribute two customized variations of the Metro® (ABLE and 411) to our “private label” channel partners.

Geographically, the vast majority of our net revenues were generated from vehicle sales in the European Union during the years ended December 31, 2020 and 2019. For the year ended December 31, 2020, net revenues from vehicle sales in Europe, North America, and Asia (including China) as a percentage of total vehicle net revenues was 79.0%, 14.0%, and 7.0%, respectively, compared to 86.9%, 10.1%, and 3.0%, respectively for the corresponding period in 2019. We do not expect to sell any meaningful amounts of vehicles in China in the near future.

Cost of goods sold

The following table presents our cost of goods sold by amount and as a percentage of the total net revenues for the periods presented.

	Year Ended December 31,			
	2020		2019	
	Amount	%	Amount	%
	(Expressed in U.S. Dollars)			
Cost of goods sold:				
Vehicle sales	$ (3,775,973)	77.22%	$ (2,506,744)	67.75%
Spare-part sales	(100,853)	2.06%	(197,438)	5.34%
Other sales	(293,416)	6.00%	(36,225)	0.98%
Inventory write-down	(719,608)	14.72%	(959,334)	25.93%
Total cost of goods sold	**$ (4,889,850)**	**100%**	**$ (3,699,741)**	**100%**

Cost of goods sold for the year ended December 31, 2020 was approximately $4.9 million, an increase of approximately $1.2 million or approximately 32.2% from approximately $3.7 million for the year ended December 31, 2019. The increase in cost of goods sold in 2020 was primarily attributable to the increase of number of vehicles sold to our channel partners in 2020 compared to 2019. The increase in the cost of goods sold for the year ended December 31, 2020 was partially offset by a decrease in the write-downs of raw material inventories, more cost-effective features in the production of the Metro® in 2020, declining battery prices, and the retention of more highly skilled manufacturing personnel. During the same period, the volume of Metro® units sold increased 80.9%.

Inventory write-downs for the year ended December 31, 2020 were approximately $0.7 million, a decrease of approximately $0.3 million or approximately 25.0% from approximately $1.0 million for the year ended December 31, 2019. The decrease in inventory write-downs in 2020 primarily resulted from less obsolete inventories and improved inventory control based on aging and production requirements. In the second half of the year ended December 31, 2018, we implemented stricter inventory control policies, reducing the inventory turnover cycle.

Gross Profit/(Loss)

Gross profit for the year ended December 31, 2020 was approximately $0.6 million, an increase of approximately $0.7 million from approximately $0.1 million of gross loss for the year ended December 31, 2019. For the years ended December 31, 2020 and 2019, our overall gross margin was approximately 10.4% and approximately (3.5)%, respectively, and our gross margin for Metro® vehicle sales was approximately 25.0% and approximately 22.3%, respectively, representing a 2.7% increase. The increase in our overall gross margin of approximately 13.9% in 2020 was primarily driven by the increase of sales volume of our Metro® vehicles, the reduction of the cost of goods sold per vehicle primarily attributable to declining battery prices and the decrease of obsolete inventory.

Selling and Marketing Expenses

Selling and marketing expenses for the year ended December 31, 2020 were approximately $0.8 million, a decrease of approximately $0.2 million or approximately 18.7% from approximately $1.0 million for the year ended December 31, 2019. The decrease in selling and marketing expenses in 2020 was primarily attributed to reduced freight costs and traveling expenses, particularly in light of COVID-19 and a decrease in salary expense of approximately $0.1 million, $0.1 million, and $0.1 million, respectively. In 2020, the vast majority of our Metro® vehicles (including vehicle kits) were sold into the European Union and U.S. markets based on FOB terms where freight costs are borne by our channel partners, compared with sales in Asia especially in China where usually shipping expenses are borne by us. In 2019, we incurred initial marketing expenses related to the launch of the Metro®, including trade shows and establishing relationships with our channel partners that were not repeated in 2020.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2020 were approximately $8.7 million, a decrease of approximately $2.3 million or approximately 20.3% from approximately $11.0 million for the year ended December 31, 2019. The decrease in general and administrative expenses in 2020 was primarily attributable to a decrease in salary and other related expenses of approximately $0.6 million and a decrease in share-based compensation expense of approximately $1.6 million, as material portions of the options granted to our employees in 2016 were fully vested during the year ended December 31, 2019. The decrease in salary and related expenses in 2020 was primarily attributable to our efforts to maintain effective and efficient levels of personnel and improved operating efficiencies, particularly in light of the COVID-19 pandemic.

Research and Development Expenses

Research and development expenses for the year ended December 31, 2020 were approximately $1.4 million, a decrease of approximately $0.8 million or approximately 36.3% from approximately $2.2 million for the year ended December 31, 2019.The decrease in research and development expenses in 2020 was primarily due to reduced salary and employee benefit expenses of approximately $0.5 million and decreased product inspection and testing expenses of approximately $0.3 million. We incurred research and development expenses in 2019 related to internal road testing for the lithium-ion battery-powered Metro® ECV that was not repeated in 2020. Research and development expenses included share-based compensation expense of approximately $0.6 million for each of the years ended December 31, 2020 and 2019.

Provision for doubtful accounts

Provision for doubtful accounts for the year ended December 31, 2020 was approximately $0.3 million, a decrease of approximately $3.3 million or approximately 91.1% from approximately $3.6 million for the year ended December 31, 2019. The decrease in the provision for doubtful accounts in 2020 primarily resulted from the nonrecurrence of provision for doubtful accounts in 2019 related to the low probability of collection of a $2.4 million non-refundable deposit and $1.0 million of accounts receivable related to sales to a single customer in 2018. The $2.4 million provision in 2019 related to the low probability of collection of a non-refundable deposit we made to participate in the bankruptcy process of Anhua Automotive Co. Ltd., (“Anhua”) in 2018. We participated in the bankruptcy in an effort to further develop its production capacity in China. However, due to the deterioration of Anhua’s operations and our focus on sales into the European Union and North America markets, we ceased further participation in the bankruptcy process in December 2019. As a result, we recorded full provision of the $2.4 million deposit for the year ended December 31, 2019. The $1.0 million provision to accounts receivable in 2019 was mainly related to the sales to a single customer in 2018, following our commercially reasonable efforts to collect the outstanding receivable. In the second half of 2018, we adopted stricter policies related to accounts receivable collection and required higher deposit requirements for sales orders with shorter receivable terms.

Interest expense, net

Interest expense, net, consists of interest on outstanding loans and other borrowings. Net interest expense was approximately $1.4 million for the year ended December 31, 2020, an increase of approximately $0.3 million or approximately 33.3% compared to the approximately $1.1 million in interest expense for the year ended December 31, 2019. The increase was primarily attributable to additional interest accrued related to financings from related parties and third parties.

Gain from disposal of land use rights and properties

For the year ended December 31, 2020, we recognized a gain of approximately $7.0 million resulting from the sale of land use rights and properties relating to our Shengzhou facility. Our initial acquisition cost of land use rights and properties was $37.4 million and the net value of such land use rights and properties, after depreciation and amortization, was approximately $28.8 million. The total consideration from the sale of land use rights and properties was approximately $36.7 million. As of June 30, 2021, we received approximately $35.1 million of the total consideration and the remaining $1.6 million of consideration is expected to be received in the third quarter of 2021.

Loss from and impairment on equity method investments

Loss from and impairment on equity method investments decreased approximately $0.9 million or approximately 73.3% from approximately $1.2 million for the year ended December 31, 2019 to approximately $0.3 million for the year ended December 31, 2020. The decrease in 2020 primarily resulted from various investments made in 2018 in industry-related long-term ventures that later required impairment. Since 2019, we have significantly reduced outbound investments in long-term industry-related ventures.

Other income, net

Other income, net for the year ended December 31, 2020 was approximately $0.2 million, representing a decrease of approximately $0.4 million or approximately 70.1% compared to approximately $0.6 million for the year ended December 31, 2019. The decrease of other income in 2020 compared to 2019 was primarily attributable to the nonrecurrence of gain on investments of approximately $0.8 million from the sale of our 6.6% shareholdings in one of our long-term ventures, offset by an increase in rental income of $0.3 million and a reduced loss on obsolete asset disposal of $0.1 million.

Non-GAAP Financial Measures

Adjusted EBITDA for the Six Months Ended June 30, 2021 and 2020, and the Years Ended December 31, 2020 and 2019

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP measure is useful in evaluating operational performance. We use the following non-GAAP financial information to evaluate ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors in assessing operating performance.

Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, GAAP. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP. We define Adjusted EBITDA as net income (or net loss) before net interest expense, income tax expense, depreciation and amortization, and amortization of operating lease right-of-use assets as further adjusted to exclude the impact of stock-based compensation expense.

We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations. Management uses Adjusted EBITDA:

- as a measurement of operating performance because it assists us in comparing the operating performance of our business on a consistent basis, as it removes the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections;
- to evaluate the performance and effectiveness of our operational strategies; and
- to evaluate our capacity to expand our business.

By providing this non-GAAP financial measure, together with the reconciliation, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors because not all companies and analysts calculate Adjusted EBITDA in the same manner. Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as an alternative to, or a substitute for net income or other financial statement data presented in our combined financial statements as indicators of financial performance. Some of the limitations are:

- such measures do not reflect our cash expenditures;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- although depreciation and amortization are recurring, non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- the exclusion of stock-based compensation expense, which has been a significant recurring expense and will continue to constitute a significant recurring expense for the foreseeable future, as equity awards are expected to continue to be an important component of our compensation strategy.

Due to these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP measures only supplementally. As noted in the table below, Adjusted EBITDA includes adjustments to exclude the impact of stock-based compensation expense and material infrequent items. It is reasonable to expect that these items will occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our business and may complicate comparisons of our internal operating results and operating results of other companies over time. In addition, Adjusted EBITDA may include adjustments for other items that we do not expect to regularly occur in future reporting periods. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the reconciliation table below help management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations.

The following table reconciles Adjusted EBITDA to the most directly comparable GAAP financial performance measure, which is net loss:

	Six Months Ended June 30,		Year Ended December 31,	
	2021	2020	2020	2019
	(Unaudited)			
Net loss	$ (4,546,831)	$ (6,283,915)	$ (5,196,931)	$ (19,505,470)
Interest expense, net	417,826	739,418	1,411,558	1,058,795
Income tax expense	—	—	—	—
Depreciation and amortization	395,776	961,688	1,840,980	2,071,269
Amortization of operating lease right-of-use asset	234,120	104,015	198,103	416,160
Share-based compensation expense	719,490	1,682,109	3,364,217	4,923,509
Adjusted EBITDA	$ (2,779,619)	$ (2,796,685)	$ 1,617,927	$ (11,035,737)

Liquidity and Capital Resources

We have historically funded working capital and other capital requirements primarily through bank loans, equity financings and short-term loans. Cash is required primarily to purchase raw materials, repay debts and pay salaries, office expenses and other operating expenses.

As of June 30, 2021, we had approximately $2.0 million in cash and cash equivalents and approximately $1.6 million of accounts receivables as compared to approximately $4.5 million in cash and cash equivalents and $0.5 million in accounts receivable as of December 31, 2020. For the six months ended June 30, 2021 and 2020, net cash used in operating activities was approximately $6.4 million and approximately $4.1 million, respectively. As of June 30, 2021, we received approximately $35.1 million from the sale of land use rights and properties and approximately $1.6 million is expected to be received by the end of 2021. As of June 30, 2021, we paid off all outstanding borrowings under our bank lines of credit and we had approximately $3.4 million in outstanding borrowings due to third parties and approximately $1.9 million in outstanding borrowings due to related parties.

Short-Term Liquidity Requirements

We believe our cash and cash equivalents, together with borrowings, will be sufficient for us to continue to execute our business strategy over the twelve months period following the date hereof. Our current business strategy for the next twelve months includes (i) the commercial release of our new last-mile delivery and city service ECV models, the CityPorter™, the Neibor® 200 and the Logistar™, in North America and Europe, as applicable, (ii) the release of our off-road ECV, the Terramak™, in North America and (iii) increased operations in our Freehold, New Jersey local assembly facility and the establishment of local assembly facilities in Dusseldorf, Germany and Jacksonville, Florida. Actual results could vary materially as a result of a number of factors, including:

- The costs of bringing our new facilities into operation;
- The timing and costs involved in bringing our new ECVs to market;
- Our ability to manage the costs of manufacturing our ECVs;
- The costs of maintaining, expanding and protecting our intellectual property portfolio, including potential litigation costs and liabilities;
- Revenues received from sales of our ECVs;
- The costs of additional general and administrative personnel, including accounting and finance, legal and human resources, as well as costs related to litigation, investigations, or settlements;
- Our ability to collect future revenues; and
- Other risks discussed in the section titled "*Risk Factors Relating to Cenntro and the Combination*."

For the twelve months from the date hereof, we also plan to continue implementing measures to increase revenues and control operating costs and expenses, implementing comprehensive budget controls and operational assessments, implementing enhanced vendor review and selection processes as well as enhancing internal controls.

Long-Term Liquidity Requirements

In the long-term, we plan to regionalize the manufacturing and supply chain relating to certain key components of our ECVs in the geographic markets in which our ECVs are sold. In the long-term, through our deep supply chain development know-how, we intend to establish supply chain relationships in North America and the European Union to support anticipated manufacturing and assembly needs in these markets, thereby reducing the time in transit and potentially the duties associated with importing our components and spare parts from China. Currently, the majority of our revenues is derived from the sale of ECVs by private label channel partners that assemble our vehicle kits in their own facilities. As part of our growth strategy, we plan to expand our channel partner network, assembly facilities, regionalize our manufacturing and supply chains and expand our product offerings.

We intend to further expand our technology through continued investment in research and development. Since inception in 2013 through June 30, 2021, we have spent over approximately $74.0 million in research and development activities related to our operations. We plan to increase our research and development expenditure over the long term as we build on our technologies in digital components and smart driving to address the autonomous driving market.

For our long-term business plan, we plan to fund current and future planned operations mainly through cash flow from operations, lines of credit and additional equity and debt financings to the extent available on commercially favorable terms.

Working Capital

As of June 30, 2021, we had a working capital deficit of approximately $0.6 million, as compared to working capital of approximately $5.6 million as of December 31, 2020. The approximately $6.1 million decrease in working capital during the first half of 2021 was primarily due to (i) an approximately $6.1 million non-recurring receivable resulting from the sale of land use rights, which was received during the six months ended June 30, 2021, and (ii) the reduction of cash and cash equivalents and inventory of approximately $2.6 million and $1.3 million, respectively, offset by the increase in accounts receivable and prepayment and other current assets of approximately $1.2 million and $0.2 million, respectively, and the decrease in accounts payable and decrease in the amount due to related parties of approximately $2.2 million and $1.3 million, respectively.

Borrowings and Contractual Obligations

Borrowings

Prior to December 2020, we had six working capital loans outstanding, consisting of three loans from China Construction Bank Shengzhou Branch and three loans from Agricultural Bank of China Shengzhou Economic Development Zone Branch in the aggregate amount of approximately $15.4 million. The bank loans were secured by a lien on our land use rights and properties, which were sold in November 2020. As of December 31, 2020, we paid off in full all outstanding bank loans and do not have any debt facilities available with any financial institutions.

Historically, we have received additional debt financing from related parties and third parties. As of June 30, 2021, we had approximately $3.4 million in outstanding borrowings, including accrued and unpaid interest, owed to third parties, bearing interest at interest rates generally ranging from 8.00% to 15.00% per annum, and in the case of one loan, 24%, and maturing between September 2021 and December 2021. The third-party loans as of June 30, 2021 represented a decrease of $0.6 million compared to $4.1 million as of December 31, 2020. In addition, we had interest-bearing debt owed to related parties of approximately $1.9 million as of June 30, 2021 (including accrued interest), generally bearing interest at interest rates ranging from 8.00% to 12.00% per annum and maturing between October 2021 and December 2021, compared to approximately $2.6 million as of December 31, 2020. We also had interest-free debt from related parties of approximately $0.006 million, repayable on demand, compared to $0.4 million as of December 31, 2020.

We are not subject to any material financial or restrictive covenants under these loans. Each of these loans with related parties and third parties are our unsecured obligations and rank equally with each other, and any future unsecured and unsubordinated indebtedness.

Contractual Obligations

In December 2020, we signed a non-cancellable operating lease agreement for approximately 165,800 square feet for its ECV manufacturing facility in Changxing, China. The lease period began in April 2021 and ends in March 2024. Pursuant to the agreement, we prepaid the first year of our rent obligations in February 2021 and thereafter will be obligated to pay rent in advance semiannually. The annual base rent for this facility is $481,471.

In February 2021, we signed a non-cancellable operating lease agreement for an assembly facility in Freehold, New Jersey (Okerson Road) of approximately 2,600 square feet. The lease period began in June 2021 and ends in June 2023. The annual base rent for this facility is $31,616.00 for the term ending June 2022 and $33,196.80 for the term ending June 2023. We may seek to procure a larger assembly facility depending on projected demand for its ECV models in North America.

In February 2021, we signed a non-cancellable operating lease agreement for office and warehouse use in Freehold, New Jersey (Willowbrook Road) of approximately 9,750 square feet. The lease period began in February 2021 and ends in February 2022. The annual base rent for this facility is $119,925.

In June 2021, we signed two non-cancellable operating lease agreements for approximately 11,700 square feet and 3,767 square feet, respectively, of two floors of an office building in Hangzhou, China. The lease period for each lease agreement began in June 2021 and ends in May 2023. Pursuant to each agreement, we paid the first six months of our rent obligations in June 2021 and thereafter will be obligated to make rental payments in advance semi-annually. The total annual base rent under these two lease agreements is $168,677 for the term ending May 2022 and $184,741 for the term ending May 2023.

We have not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our combined financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Cash Flow

	Six Months Ended June 30,		Year Ended December 31,	
	2021	2020	2020	2019
	(Unaudited)			
Net cash used in operating activities	$ (6,416,398)	$ (4,088,062)	$ (7,874,754)	$ (4,670,368)
Net cash provided by investing activities	5,594,878	5,852	26,467,305	1,531,655
Net cash (used in) provided by financing activities	(1,799,064)	3,017,363	(15,509,618)	1,168,756
Effect of exchange rate changes on cash	36,693	(12,900)	237,395	(24,613)
Net increase (decrease) in cash and cash equivalents	(2,583,891)	(1,077,747)	3,320,328	(1,994,570)
Cash and cash equivalents, and restricted cash at beginning of the year	4,549,034	1,228,706	1,228,706	3,223,276
Cash and cash equivalents, and restricted cash at end of the period	1,965,143	150,960	4,549,034	1,228,706

Operating Activities

Our net cash used in operating activities was approximately $6.4 million and $4.1 million for the six months ended June 30, 2021 and 2020, respectively.

Net cash used in operating activities for the six months ended June 30, 2021 was primarily attributable to (i) our net loss of approximately $4.5 million and adjusted for non-cash items of approximately $1.7 million, which primarily consisted of share-based compensation expense, impairment of slow-moving inventory, and depreciation and amortization of approximately $0.7 million, $0.5 million, and $0.4 million, respectively, (ii) a decrease of accounts payable of approximately $2.3 million and (iii) an increase of other non-current assets, amounts due from/to related parties and accounts receivable of approximately $1.4 million, $0.3 million and $1.2 million, respectively, which was partly offset by the increase in the accrued expense and other current liabilities of $1.0 million and decrease of inventories of approximately $0.9 million.

Net cash used in operating activities for the six months ended June 30, 2020 was primarily attributable to (i) our net loss of approximately $6.3 million and adjusted for non-cash items of approximately $4.0 million, which primarily consisted of share-based compensation expense, impairment of slow-moving inventory, and depreciation and amortization of approximately $1.7 million, $0.5 million, and $1.0 million, respectively, (ii) a decrease of accounts and notes payable and contractual liabilities of approximately $0.8 million and $0.6 million, respectively, and (iii) a change of amount due from/to related parties and an increase of other non-current assets of approximately $0.8 million and $0.5 million, respectively.

Our net cash used in operating activities was approximately $7.9 million and $4.7 million for the years ended December 31, 2020 and 2019, respectively.

Net cash used in operating activities for the year ended December 31, 2020 was primarily attributable to (i) our net loss of approximately $5.2 million adjusted for non-cash items of approximately $0.1 million, which primarily consisted of gain from the disposal of land use rights and properties, share-based compensation expense, and depreciation and amortization of approximately ($7.0) million, $3.4 million, and $1.8 million, respectively, (ii) a decrease of accounts and notes payable of approximately $3.7 million, and (iii) an increase of prepayment and other assets of approximately $0.7 million, which was partly offset by the decrease of inventories, change of amount due from/to related parties and increase of accrued expense and other current liabilities of approximately $1.9 million, $0.6 million, and $0.1 million, respectively.

Net cash used in operating activities for the year ended December 31, 2019 was primarily attributable to (i) our net loss of approximately $19.5 million adjusted for non-cash items of approximately $12.5 million, which primarily consisted of share-based compensation expense, allowance for doubtful receivables, and depreciation and amortization of approximately $4.9 million, $3.6 million, and $2.1 million, respectively, (ii) a decrease of accounts and notes payable of approximately $3.4 million, and (iii) a decrease of operating lease liability of approximately $0.3 million, which was partly offset by the decrease of accounts receivable, an increase of accrued expense and other current liabilities, and an increase of contractual liabilities of approximately $2.4 million, $1.4 million and $1.3 million, respectively.

Our operations for at least the first half of 2020 were significantly adversely affected by the COVID-19 pandemic as previously discussed. We had limited cash flow generated from operating activities due to deferred sales orders and shipments and a decrease in sales. Despite our efforts to keep our operating expenses low, we had a net cash outflow for operating activities of $7.9 million for 2020.

Investing Activities

Net cash provided by investing activities was approximately $5.6 million for the six months ended June 30, 2021. Net cash provided by investing activities for the six months ended June 30, 2021 was primarily attributable to proceeds from the sale of land use rights and properties in 2020 received in the first six months of 2021 in the amount of approximately $6.2 million and loan repayments from related parties in the amount of approximately $2.1 million, partially offset by approximately $1.5 million in interest free loans provided to related parties, $0.9 million in payment of long-term investment payable, and $0.3 million in purchase of property, plant and equipment.

Net cash provided by investing activities was approximately $0.006 million for the six months ended June 30, 2020. Net cash provided by investing activities for the six months ended June 30, 2020 was mainly attributable to loan repayments from related parties of approximately $1.2 million, offset by approximately $1.1 million in interest-free loans provided to related parties.

Net cash provided by investing activities was approximately $26.5 million for the year ended December 31, 2020. Net cash provided by investing activities for the year ended December 31, 2020 was primarily attributable to proceeds from the sale of land use rights and properties in 2020 in the amount of approximately $27.0 million and approximately $2.3 million in loans repaid from related parties offset by the approximately $2.8 million in loans provided to related parties.

Net cash provided by investing activities was approximately $1.5 million for the year ended December 31, 2019. Net cash provided by investing activities for the year ended December 31, 2019 was mainly attributable to the increase of loan repayment from related parties of approximately $6.8 million offset by approximately $5.3 million in interest-free loans provided to related parties.

Financing Activities

Net cash used in financing activities was approximately $1.8 million for the six months ended June 30, 2021, primarily attributable to the loan repayments made to related parties and third parties of approximately $3.3 and $0.9 million, respectively, partially offset by the proceeds of loans from related parties of approximately $2.4 million.

Net cash provided by financing activities was approximately $3.0 million for the six months ended June 30, 2020, primarily attributable to loan proceeds from banks, related parties and third parties of approximately $10.7 million, $1.5 million and $1.9 million, respectively, partially offset by the repayment of bank loans of approximately $10.7 million and the repayment of loans to related parties of approximately $0.4 million.

Net cash used in financing activities was approximately $15.5 million for the year ended December 31, 2020, primarily attributable to the repayment of bank loans of approximately $26.4 million as well as loan repayments made to related parties and third parties of approximately $6.1 and $0.2 million, respectively, offset by proceeds from bank loans, the additional loans from related parties and third parties of approximately $10.9 million, $3.5 million and $2.9 million, respectively.

Net cash provided by financing activities was approximately $1.2 million for the year ended December 31, 2019 primarily attributable to the proceeds from bank loans of approximately $15.5 million as well as loans proceed from related parties and third parties of approximately $4.5 million and $1.8 million, respectively, offset by the repayments to bank loans and loans from related parties and third parties of approximately $17.3 million, $2.7 million and $0.7 million, respectively.

Emerging Growth Company

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our combined financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies.

Taxation

We are primarily subject to income taxes in the United States and the PRC.

United States

We are subject to tax in the United States and account for income tax using an asset and liability approach, which allows for the recognition of deferred tax benefits in future years. Under the asset and liability approach, deferred income taxes are recognized for differences between the financial reporting and tax bases of assets and liabilities at enacted tax rates in effect for the years in which the differences are expected to reverse. The accounting for deferred tax calculation represents our best estimate of the most likely future tax consequences of events that have been recognized in our combined financial statements or tax returns and related future anticipation. A valuation allowance is recorded to reduce the deferred tax assets to an amount that is more likely than not to be realized after considering all available evidence, both positive and negative.

We have established a local assembly facility and plan to establish a supply chain and expand our research and development functions in the United States in the future. Additional cost and expense will be incurred and we expect to have additional deductible tax items for operations in the U.S.

We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. Although we believe that we have adequately reserved for our uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences may affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and results of operations.

Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its net operating losses, or NOLs, to offset future taxable income. Future changes in our stock ownership could result in an ownership change under Section 382 of the Code. Any future NOLs we generate may also be impaired under state laws. In addition, under the 2017 Tax Cuts and Jobs Act, or the Tax Act, future tax losses may be utilized to offset no more than 80% of taxable income annually. There is also a risk that due to statutory or regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our future NOLs could expire or otherwise be unavailable to offset future income tax liabilities. It is uncertain if and to what extent various states will conform to the Tax Act. For these reasons, we may not be able to realize a tax benefit from the use of any future NOLs we generate, whether or not we attain profitability.

Europe

For the years ended 2020 and 2019, we had no operations in Europe. We plan to establish a local assembly facility in Dusseldorf, Germany. As of July 2021, we began warehousing operations in Budapest, Hungary through a third-party logistics company. Accordingly, we will be primarily subject to the local income tax and Value-added tax ("VAT"). In Hungry, the income tax rate and standard VAT rate for transactions and operations undertaken in Hungary are 9% and 27% respectively. In Germany, the income tax rate including solidarity surcharge and standard VAT rate for transactions and operations undertaken in Germany are 15.825% and 19%, respectively. Revenues generated from spare parts sales and technical support will be relatively small and net profit generated from the support center, if any, is expected to be negligible.

Hong Kong

Our subsidiaries, Cenntro Automotive Group Limited and Sinomachinery Equipment Limited, are registered in Hong Kong as intermediate holding companies. These subsidiaries do not have employees or conduct any business operations in Hong Kong. We made no provision for Hong Kong profits tax in our combined financial statements as our Hong Kong subsidiaries had no income from Hong Kong sources for the years ended December 31, 2020 and 2019 and the six months ended June 30, 2021. There is no plan to establish any business operation activities in Hong Kong in the near future.

PRC

Generally, we are subject to enterprise income tax on our taxable income in China at a statutory rate of 25%. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

Our products and services are primarily subject to value-added tax at a rate of 13% on the vehicles, parts, repair and maintenance services which was 16% before April 1, 2019, as well as 6% on services such as research and development services, in each case less any deductible value-added tax we have already paid or borne. We are also subject to surcharges on value-added tax payments in accordance with PRC law.

Dividends paid by our PRC subsidiaries in China to our Hong Kong subsidiaries will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Arrangement between China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital and receives approval from the relevant tax authority. If our Hong Kong subsidiaries satisfy all the requirements under the tax arrangement and receive approval from the relevant tax authority, then the dividends paid to the Hong Kong subsidiaries would be subject to withholding tax at the standard rate of 5%. Effective from November 1, 2015, the above-mentioned approval requirement has been abolished, but a Hong Kong entity is still required to file an application package with the relevant tax authority, and settle the overdue taxes if the preferential 5% tax rate is denied based on the subsequent review of the application package by the relevant tax authority.

If any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%.

Under the PRC Enterprise Income Tax Law, research and development expenses incurred by an enterprise in the course of carrying out research and development activities that has not formed intangible assets and are included in the profit and loss account for the current year. Besides deducting the actual amount of research and development expenses incurred, an enterprise is allowed an additional 75% deduction of the amount in calculating its taxable income for the relevant year. For research and development expenses that have formed intangible assets, the tax amortization is based on 175% of the costs of the intangible assets.

Quantitative and Qualitative Disclosures about Market Risk

Foreign Exchange Risk

The reporting currency of our U.S. headquarters is the U.S. Dollar ("USD") while our Chinese subsidiaries' functional currency is Renminbi ("RMB"). Our combined financial statements are presented in USD and will be affected by the foreign exchange rate of the RMB against the USD. Additionally, during the years ended December 31, 2020 and 2019 and the six months ended June 30, 2021, significant portions of our net revenues were derived from the sales in the EU and U.S., denominated in Euros or USD, respectively, while our costs and expenses were primarily incurred in the PRC (and denominated in RMB). The value of the RMB against the Euro, USD and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, as well as currency market conditions and other factors.

Since July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. During the years ended December 31, 2020 and December 31, 2019, the RMB depreciated against the USD by approximately 6.5% and 1.2%, respectively. During the six months ended June 30, 2021 and 2020, the RMB appreciated against the USD by approximately 0.05% and depreciated against the USD by approximately 1.45%, respectively. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the USD in the future.

Currency exchange rate fluctuation in either direction can negatively impact our results of operations and/or financial condition. Appreciation in RMB could have the effect of increasing our operating costs so long as a material amount of our current operations occur in China. Conversely, appreciation of USD against the RMB could have the effect of reducing the value of cash and cash equivalents held by our PRC subsidiaries for the purposes of making payments to suppliers or distributing income to CEG.

Furthermore, to the extent that we need to convert RMB to USD as our reporting currency, the depreciation of the RMB against the USD will adversely impact our consolidated net asset and profit or loss items presented in our combined financial statements. The effect of a change in the foreign exchange rate of the RMB against the USD on our combined financial statements is recorded under translation reserve within our shareholders' equity and foreign currency translation within our other comprehensive income or loss. As of June 30, 2021, combined net asset attributable to entities for which RMB is the functional currency was approximately $14.6 million measured in USD. Were the USD to appreciate 10% against RMB, from a rate of US$1.00 to RMB 6.4566 (the foreign exchange rate as of June 30, 2021) to a rate of US$1.00 to RMB 7.1023, we would have recognized a decrease in net assets of approximately $1.5 million.

Interest Rate Risk

Prior to November 2020, we had a number of short-term fixed interest rate loans from certain financial institutions that we renewed annually. At each renewal, the interest rate would be adjusted based on prevailing interest rates. However, we paid off all outstanding balances on such bank loans as of December 31, 2020. Our current borrowings are from certain third parties and related parties and bear fixed interest rates, generally ranging from 8% to 15%, and in the case of one loan, 24%, and are not subject to interest rate risk. We intend to obtain additional debt financing from financial institutions, to the extent available on commercially favorable terms, which debt we would anticipate bearing variable interest rates and thus expose us to interest rate risk.

Inflation

For the years ended December 31, 2020 and 2019 and the six months ended June 30, 2021 and 2020, the vast majority of our net revenues derived from the markets in the European Union and the United States, while our costs and expenses were primarily incurred in the PRC. To date, global inflation has not materially impacted our results of operations. According to the International Monetary Fund, the consumer price index in the European Union, the United States and the PRC for the years ended December 31, 2020 and 2019 increased year-over-year by 0.79% and 1.44%, 1.23% and 1.81%, and 2.42% and 2.9%, respectively, and for the six months ended June 30, 2021 and 2020, increased year-over-year by 0.67% and 2.35%, 0.65% and 5.39%, and 2.51% and 1.75%, respectively. Although we have not been materially impacted by inflation in the past, we may be adversely impacted in the future by higher rates of inflation in the PRC. For example, certain operating costs and expenses, such as parts and materials, employee compensation and office operating expenses may increase as a result of higher inflation. We expect that cost increases due to inflation in the PRC would coincide with price inflation in the EU and U.S. markets in which we market and sell; however, we are not able to hedge our exposure to the excess inflation in China.

Seasonality

Our limited operating history makes it difficult for us to judge the exact nature or extent of the seasonality of our business. Usually, any unexpected severe weather conditions in some markets may impact demand for our vehicles.

Critical Accounting Policies and Estimates

See Note 3 "Summary of Significant Accounting Policies" to our combined financial statements for a description of critical accounting policies and estimates that may potentially impact our financial position, results of operations or cash flows.

Recently Accounting Pronouncements

See Note 3 "Summary of Significant Accounting Policies" to our combined financial statements for a description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows.

BUSINESS OF CENNTRO

You should read the following description of our business in conjunction with our combined financial statements and related notes included herein. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors." The financial statements included herein are the combined financial statements of CEG, CAC and CAG HK (together, "Cenntro") and its subsidiaries. References to "dollars," "$," "U.S. dollars" and "USD" refer to United States dollars. For detailed information regarding the business of each subsidiary of Cenntro, please refer to "— Subsidiary Information." Our fiscal year ends on December 31. References in this section to "we," "us" and "our" are to Cenntro and its subsidiaries. References to "homologate" or "homologation" refer to the process of obtaining regulatory approval for marketing of vehicles in a jurisdiction.

Our Business

We are a designer and manufacturer of electric light- and medium-duty commercial vehicles ("ECVs"). Our purpose-built ECVs are designed to serve a variety of corporate and governmental organizations in support of city services, last-mile delivery and other commercial applications. As of June 30, 2021, we have sold or put into service more than 3,100 units of our first ECV model, the Metro®, in 16 countries across North America, Europe and Asia. The Metro® has been driven over seven million miles by commercial end-users in China alone. We plan to introduce four new ECV models to serve the light- and medium-duty market by the end of 2021. Our mission is to leverage our technological and research and development capabilities in areas such as vehicle design, digital component development, vehicle control software, and "smart" driving to become a technology leader in the ECV market.

We have established an asset-light, distributed manufacturing business model through which we can distribute our unique modular vehicles in unassembled semi-knockdown vehicle kits for local assembly in addition to fully assembled vehicles. Our business model allows us to both (i) design, manufacture, assemble, homologate and sell ECVs to third parties for distribution and service to end-users and (ii) distribute manufactured vehicle kits, which are then assembled, homologated, sold and serviced by third parties in their respective markets. We refer to these third parties as our "channel partners." Each of our vehicle models has a modular design that allows for local assembly in small factory facilities that require less capital investment. We currently manufacture our own vehicle kits for the Metro® in our facilities in China. We plan to leverage the economies of scale of our manufacturing partners in China to manufacture vehicle kits for each of our new models for local assembly at our facilities in the United States and Europe to further reduce overhead costs compared to our competitors. We believe our distributed manufacturing methodology allows us to execute our business plan with less capital than would be required by the traditional, vertically integrated automotive model and, in the long-term, drive higher profit margins.

We began pilot production of our first-generation, U.S. Class 1 (0 – 6,000 lbs.), electric light-duty commercial vehicle, the Metro®, in 2018, and, as of June 30, 2021, we have sold approximately 1,800 units in over 16 countries across Europe, North America and Asia, and put into service approximately 1,300 additional units in China through affiliated parties. The Metro® is a customizable ECV used in commercial applications such as city services (i.e., street cleaners, firetrucks, food trucks and garbage trucks) and last-mile delivery. The Metro® was "born electric," meaning that, unlike many other ECVs that are converted from existing ICE designs, the Metro® was purpose-built from inception to be highly cost-effective and energy efficient, implementing a number of proprietary design elements including a lightweight structure and efficient power system. With our developed supply chain and relationships with component vendors and our growing channel partner network, we believe we are in position for larger scale production and distribution of the Metro®. For the year ended December 31, 2020 and the six months ended June 30, 2021, we generated $4.8 million and $2.0 million in revenue from the sales of our Metro®, respectively.

Since our inception, we have invested resources in the research and development not only of ECV design and manufacturing processes, but also in digitally enabled components, intra-vehicle communication, vehicle control and vehicle automation, or what we collectively refer to as "vehicle digitization." We have developed a prototype system-on-chip (which we sometimes refer to as an "SOC") for vehicle control and an open-platform, programmable chassis, with potential for both programmable and autonomous driving capabilities. We have also designed and developed in-house a proprietary telematics box, sometimes referred to as a T-Box, which allows our ECVs to send and receive data relating to location, speed, acceleration, braking and battery consumption, among others to end-users. Additionally, our engineers have worked closely with certain of our qualified suppliers to co-design digitally enabled components in areas such as steering, braking, acceleration and signaling.

We plan to introduce four new ECV models in 2021, which are designed for specific geographic markets and to address additional commercial applications. The CityPorter™ is a U.S. Class 4 (over 14,000 lbs.) medium-duty electric commercial truck designed to meet U.S. city delivery and service needs. We completed homologation of the CityPorter™ in the United States in the third quarter of 2021. The CityPorter™ is expected to be commercially available in the United States during the fourth quarter of 2021. We have completed all required tests to deliver the CityPorter™ to end-users in the United States except for the California Air Recourse Board emission test ("CARB") emission test. We expect to complete the CARB emission test by the end of November 2021. The CityPorter™ will be offered in four configurations: cargo-box, van, flatbed truck, and basic chassis for upfitters. The Neibor® 200 is a European Union and UK L7e (heavy quadricycle) Class compact electric commercial vehicle designed to meet European neighborhood delivery and neighborhood service needs. The Neibor® 200 is expected to be homologated and commercially available in the European market in the fourth quarter of 2021. We have sent our production prototypes of Neibor® 200 to EU regulatory authorities for homologation, which we expect to be approved by November 2021. The Logistar™ is a European Union N1 Class electric commercial vehicle designed to meet the European Union's city delivery and city service requirements and complement the smaller Neibor® 200 model. It is expected to be homologated and commercially available in the European market in the fourth quarter of 2021. We have sent our production prototypes of Logistar™ to EU regulatory authorities for homologation, which we expect to be approved by November 2021. We are also developing the Terramak™, an off-road electric commercial vehicle for U.S. off-road use with essentially no homologation requirements and limited certification requirements. The Terramak™ is currently in preparation for production and is expected to be commercially available in the United States during the fourth quarter of 2021. Because the Terramak™ is an off-road ECV, it is not subject to regulations by the Department of Transportation or NHTSA (National Highway Traffic Safety Administration). We have limited experience to date in manufacturing each of the CityPorter™, the Terramak™, the Neibor® 200 and the Logistar™ as well as limited experience building and ramping up multiple vehicle production lines across multiple factories in different geographies. In order to introduce new ECV models, we have to coordinate with our suppliers, assembly partners, manufacturing partners, channel partners and other third parties in order to ensure timely execution of the manufacturing and assembly processes. We may experience launch and production ramp up delays for new ECV models. See "Risk Factors—Risks Related to Our Business and Financial Results—Our future success depends on our ability to introduce new models and we may experience delays in launching and ramping up production of our new ECV models."

We have also developed the e-Portee, an open-platform and programmable chassis product. The e-Portee is designed to be a basic modular building block for use by auto makers and special vehicle upfitters in the design of automated or autonomous driving vehicles. Through our advancements in vehicle digitization and smart components, we have equipped the e-Portee with digital control capabilities. The e-Portee allows third-party developers to integrate detection devices (i.e., lidar, radar, ultra-sound, infrared and other sensory devices) and third-party or proprietary decision-making software to allow for vehicles based on the programmable chassis to be driven autonomously.

The electrification of the global automotive industry has been a major policy focus of governments worldwide. Certain countries, such as the United States, China, Canada, Germany, and various other European countries, have announced aggressive EV initiatives designed to reduce carbon emissions, through the replacement of fossil fuels, and have begun incentivizing the development and sale of ECVs through government subsidy programs. According to the F&S Report, a global growth strategy consulting and research firm, total sales volume of light-duty ECVs in the European Union are expected to increase from approximately 21,000 units in 2019 to approximately 204,900 units in 2024, representing a CAGR of 57.7%, and total sales volume of light ECVs in the United States will increase from less than a thousand units in 2019 to approximately 52,600 units in 2024.

Subsidiary Information

Set forth in the table below is the primary business and domicile of each of our subsidiaries:

- Hangzhou Cenntro Autotech Co., Ltd., a PRC limited liability company ("Autotech"), is one of our operating subsidiaries in China. Operations under Autotech include vehicle and technological developments, homologation (in certain instances), regulatory compliance, quality assurance, and the holding of material assets in Hangzhou, China.

- Hangzhou Hengzhong Tech Co., Ltd., a PRC limited liability company ("Hengzhong Tech"), is one of our operating subsidiaries in China. Operations under Hengzhong Tech include supply procurement, vendor qualification and auditing, component quality assurance and certification, and component development.

- Hangzhou Ronda Tech Co., Ltd., a PRC limited liability company ("Ronda"), is one of our operating subsidiaries in China. Operations under Ronda include corporate affairs, administrative, human resources, global marketing and sales, and after-market support to our channel partners.

- Shengzhou Cenntro Machinery Co., Ltd., a PRC limited liability company ("Shengzhou Machinery"), is currently dormant. Prior to our sale of the land and facility in Shengzhou, China, Shengzhou Machinery owned and operated our Shengzhou manufacturing facility, where it manufactured key components for the Metro and assembled vehicle kits and full vehicles. In May 2021, Shengzhou Machinery ceased these operations.

- Sinomachinery Equipment Limited, a Hong Kong private company limited by shares ("Sinomachinery Equipment"), is the non-operating, investment holding company of Zhejiang Sinomachinery (as defined below).

- Zhejiang Sinomachinery Co., Ltd., a PRC limited liability company ("Zhejiang Sinomachinery"), is one of our operating subsidiaries in China. Zhejiang Sinomachinery's operations focus on the development and maintenance of our supply chains and the development of our Logistar™ model.

- Zhejiang Cenntro Machinery Co., Ltd., a PRC limited liability company ("Zhejiang Machinery"), is one of our operating subsidiaries in China. Operations under Zhejiang Machinery include leasing our facility in Changxing, China and assembling our Metro® model vehicle kits and fully assembled vehicles. Zhejiang Machinery currently performs the role that Shengzhou Machinery had performed prior to the sale of our facility in Shengzhou in 2020.

- Zhejiang Tooniu Tech Co., Ltd., a PRC limited liability company ("Tooniu"), is one our operating subsidiaries in China. Tooniu's operations focus on the development of off-road electric utility vehicles. Tooniu is responsible for the development and supply of the Terramak™ vehicle and vehicle kits to our channel partners.

- Zhejiang Xbean Tech Co. Ltd., is a PRC limited liability company ("Zhejiang Xbean"). Zhejiang Xbean's operations historically focused on the design, manufacture and sale of certain smaller ECV models that are not material to our business. Zhejiang Xbean ceased operations in early 2021.

Industry Overview and Market Opportunity

The EV Market

According to an April 2020 report by Allied Market Research, the global EV market was valued at approximately $162.3 billion in 2019 and is projected to reach approximately $802.8 billion by 2027. The North American market is estimated to reach upwards of approximately $194.2 billion by 2027 and the Asia-Pacific market is expected to reach approximately $357.8 billion in the same period. North America and Europe are expected to experience compound annual growth rates in this market of 27.5% and 25.3%, respectively, between 2019 and 2027. Factors such as increases in demand for fuel-efficient, high-performance and low-emission vehicles, along with stringent government rules and regulations toward vehicle emissions are expected to drive the growth of the electric vehicle market.

Many governments around the world, including the United States, China, Germany, and various other European countries, are regulating vehicle emissions and fuel economy standards and offering incentives to commercial and government operators to purchase more energy efficient vehicles. The mitigation of greenhouse gas emissions from ICE vehicles is an integral part of various nations' strategies to meet the objectives of the 2015 Paris Agreement, which the United States recently rejoined. Some of the countries that have made announcements regarding their intention to phase out ICE vehicles include the following:

- China: End production and sales of ICE vehicles by 2040;
- France: Ban the sale of ICE cars by 2040;
- Germany: No registration of ICE vehicles by 2030 (passed by legislature); cities can ban diesel cars;
- India: Official target of no new ICE vehicles sold after 2030; Incentive program in place for EV sales;
- Japan: Incentive program in place for EV sales; and
- United Kingdom: Ban the sale of new ICE cars starting in 2035.

In the United States, the Biden administration recently announced plans to put the United States on a path to achieve net-zero emissions, economy-wide, by no later than 2050. The Biden administration has also proposed investments in infrastructure including roads, bridges and the electricity grids; greater access to electric vehicle charging stations; a carbon pollution-free power sector by 2035; and innovation to drive dramatic cost reductions in critical clean energy technologies, including battery storage. In 2021, President Biden signed an executive order that mandates the replacement of all civilian federal vehicles, over 600,000 vehicles, with U.S.-made clean and zero-emission vans, trucks and passenger vehicles. The Biden administration has also announced a goal of building more than 500,000 EV chargers across the United States and has expressed its support for an expansion of federal tax credits and incentives targeted at EVs and EV manufacturing. We believe the Biden administration's strong support for EVs and renewables will encourage an even more rapid shift from ICEs to EVs in the United States, particularly in the commercial vehicle market.

Incentive programs and new regulations affecting passenger and commercial vehicles vary by country. However, there is strong sentiment to reduce global greenhouse gas emissions from leading governments. For heavy-duty vehicles, the European Union mandated a 15% reduction in CO_2 emissions (from 2019 levels) by 2025 and a 30% reduction target (from 2019 levels) by 2030. Also, by 2025, manufacturers will be required to ensure that at least a 2% market share of the sales of new vehicles is made up of zero-and-low-emission vehicles to counteract steadily increasing road traffic emissions. For light-duty vehicles, the European Union has mandated a 15% reduction in CO_2 emissions by 2025 and a 31% reduction target by 2030. The European Union may impose financial penalties on vehicle manufacturers for failure to achieve certain CO_2 emission targets imposed on such manufacturers, with such penalties scaling upward based on the level of CO_2 emission exceedance for their vehicles. We believe that increasing government regulations and incentives, together with shifting consumer preferences, will encourage significant growth in the market for ECVs.

Improvements in Battery Technology

With the global trend toward reducing the number of ICE vehicles, electric-battery and fuel cell technologies stand out as strong alternatives. Battery costs have decreased significantly over the past decade and, in the long run, prices are expected to continue to fall. According to research service BloombergNEF (BNEF), lithium-ion battery pack prices decreased from above $1,100 per kilowatt-hour in 2010 to $137/kWh in 2020 in real terms, representing a decline of approximately 89%. In addition, BNEF forecasts that by 2023 average prices are expected to fall to as low as $100/kWh. Although battery pack prices have increased and may continue to increase in the near-term due to the rising price of lithium as a result of COVID-19 and other factors, we anticipate that battery prices will continue to decrease in the long-term. As investment in battery technology continues to increase, we believe these cost reductions will continue to improve the economics of battery-powered ECVs.

Last-mile Delivery and City Services

The last-mile delivery market in the United States and the European Union is quickly expanding, driven by the rapid growth in the e-commerce industry resulting from consumer preference for faster deliveries, significant increases in online purchases resulting from COVID-19, and governmental focus on low emission urban logistics models. According to the F&S Report, from 2015 to 2019, retail sales from the e-commerce channel in the United States increased from approximately 7.3% to 11% of all United States retail sales and is estimated to increase to approximately 20.2% by 2024. In addition, from 2015 to 2019 retail sales from the e-commerce channel in the European Union increased from approximately 9.5% to 13% of all European retail sales and is estimated to increase to approximately 22.3% by 2024. We believe consumer behavior will accelerate the online transformation of retail businesses and the expected need for efficient last-mile delivery ECVs.

We believe there is a growing sustainability trend among companies to reduce their carbon footprint and incorporate ECVs into their commercial delivery fleets. A number of well-established companies, such as Amazon, FedEx, UPS and Walmart have made announcements about their intentions to reduce CO_2 emissions and/or become carbon neutral by a specified future date. A number of these companies have committed to purchase large quantities of ECVs (some of which are not yet commercially available) to transition their fleets over the next several years, with a focus on enhancing their last-mile delivery services, as well as lowering their operating costs, all while reducing their carbon footprint.

Autonomous Driving

The world's largest technology and automotive companies are engaged in large-scale projects related to autonomous driving initiatives and other future mobility projects. The vast economic and safety potential of autonomous vehicles has continued to drive substantial investment, further accelerating the pace of technological development. According to AlixPartners, an estimated $75 billion is projected to be deployed between 2019 and 2023 on autonomous driving development.

Our Competitive Strengths

We design, develop and manufacture ECVs in a cost-effective manner to enable us to compete favorably in the light- and medium-duty commercial vehicle market. We believe our competitive strengths position us well to continue to grow our installed base of vehicles and capitalize on the expected growth in the light- and medium-duty ECV market:

Proven Record of Manufacturing and Distributing ECVs

We have manufactured light-duty ECVs since 2018. Our business to date has been primarily focused on selling the Metro® in the light-duty ECV market, which is a relatively new market with only a limited number of automakers successfully delivering vehicles in this segment currently. As of June 30, 2021, we have sold approximately 1,800 Metro® units in Europe, North America and Asia and put into service approximately 1,300 additional units in China through affiliated parties. We have established relationships with 16 channel partners, including three "private label" channel partners that assemble our vehicle kits and sell them in the United States and certain countries in the European Union, two channel partners that upfit our vehicles and sell them in Korea and the United States and the remainder that sell the fully assembled vehicles we manufacture. We believe our production and delivery of over 3,100 Metro® units, with over seven million miles of commercial use in China alone, provides us valuable insight into market dynamics that are not readily apparent or accessible to new competitors, which will assist us as we expand into new markets.

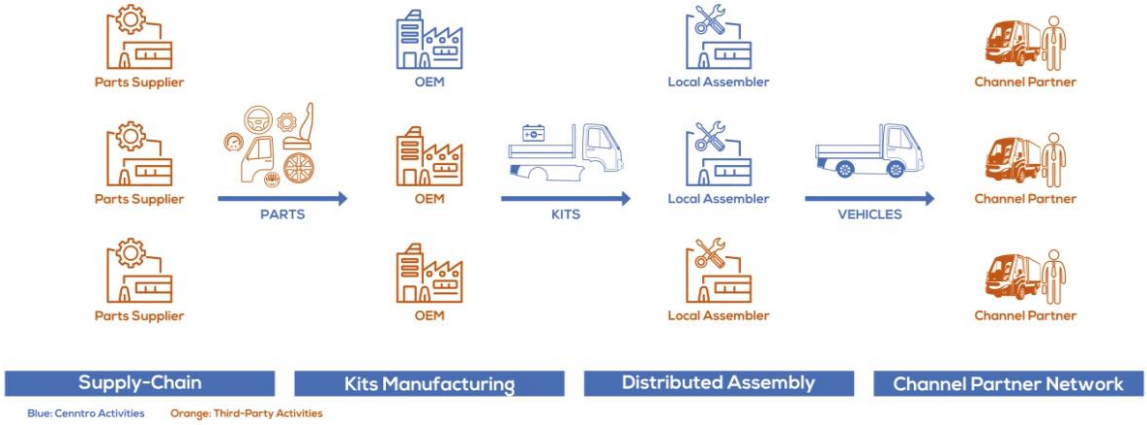
We believe we are positioned to take advantage of the growing ECV market, which has few mature competitors capable of manufacturing and delivering cost-effective and financially viable ECVs today.

Distributed Manufacturing Methodology

Traditionally, automakers operate under a vertically integrated business model performing a variety of capital-intensive and time-consuming functions, including not only vehicle design, process setup, tooling, parts making, supply chain establishment, vehicle assembly and vehicle homologation, but also market promotion, sales and distribution, after-market support and vehicle servicing. This business model requires significant capital, is asset heavy and imposes significant barriers to entry for new players while impeding their ability to rapidly change their vehicle lineup or their operating model.

Based on our unique manufacturing and distribution model, we believe we are positioned to be an industry disruptor. Unlike many traditional, vertically integrated vehicle companies, which manufacture fully assembled vehicles for export, we use an innovative distributed manufacturing methodology in which our ECVs are designed to be exported as vehicle kits and assembled in local markets. Our ECVs are designed using a "modular" method, allowing for simple assembly and eliminating the need for acquiring and maintaining heavy and expensive assembly equipment at the local assembly stage. We manufacture and integrate the materials and parts into our vehicle kits, which we can then ship to one of our local assembly facilities or our channel partners for assembly, and thereafter for marketing, sales and service by our channel partners.

We believe that our distributed manufacturing methodology can provide us with competitive advantages compared to traditional vehicle manufacturers, as we may benefit from local tax incentives and lower import duties as well as greater brand recognition and consumer goodwill in our targeted markets. In addition, we believe our distributed manufacturing methodology provides significant advantages for local homologation, local distribution, and local service. For example, we believe U.S. homologation certification requirements are less burdensome for vehicles that are manufactured in the United States rather than imported into the United States.



As of June 30, 2021, our distributed manufacturing methodology relies upon seven assembly facilities, including three "private label" channel partners with local assembly facilities in the United States and the European Union (that assemble, market and sell ECVs based on the design of our Metro® under the names Ayro 411 and TME ABLE), two assembly partners with local assembly facilities in China for sales in the local ECV market, our facility at Changxing, which assembles for international export, and our local assembly facility in Freehold, New Jersey, where we plan to begin trial production of our CityPorter™ and Terramak™ vehicles. For further discussion of our private label channel partners, see "—Our Channel Partners and Channel Partner Network." We are also in the process establishing local assembly facilities in Dusseldorf, Germany, where we intend to assemble the Metro®, the Logistar™ and the Neibor® 200 for sales within the European Union, and in Jacksonville, Florida, where we plan to assemble the CityPorter™ and the Terramak™ for distribution to our channel partners for sales in the North American market. Prior to the regionalization of our supply chains, we plan to utilize these facilities to assemble vehicle kits that we manufacture in our facilities in Changxing. All manufacturing processes of the ECV components for our CityPorter™, Neibor® 200, Logistar™ and Terramak™ will be subcontracted to our qualified suppliers, allowing us to further reduce our capital expenditure requirements and increase our focus on local assembly.

In the long-term, through our deep supply chain development know-how, we intend to establish supply chain relationships in North America and the European Union to support our manufacturing and assembly needs in these markets, thereby reducing the time in transit and potentially the duties associated with importing our components and spare parts. We plan to use a "merge in transit" model where component parts from suppliers are consolidated at our local assembly facilities for final ECV assembly.

Our Core Technology

Because we design, develop and manufacture our ECVs, our technology is at the core of what we believe positions us to effectively compete and become a technology leader in the ECV market. Since inception in 2013 through June 30, 2021, we have spent approximately $74.0 million in research and development activities related to our business. Specifically, we have developed new vehicle chassis structures and digital control, smart driving and network connectivity capabilities. In addition to our significant know-how, as of June 30, 2021, we had 132 discovery patents, nine design patents and 104 innovation patents granted by the Chinese Patent Office, and 11 innovation patent applications and 56 discovery patent applications pending in the Chinese Patent Office (including seven currently pending PCT patents), covering our technological innovations relating to power systems, vehicle electronics, vehicle control and structure, production processes and other new technologies.

Our technological advantage begins with our chassis designs, which promote efficiencies in energy consumption as well as development and manufacturing processes. The Metro® and Neibor® 200 utilize proprietary, lightweight chassis designs that reduce the overall weight of the vehicle and thus increase the battery efficiency of the vehicle. Our chassis designs also lend themselves to modification and flexibility to meet the needs of the specific customers in our local markets. For instance, our Metro® can be upfitted and customized to fill a variety of end-user roles, such as a small firetruck, street sweeper, vending truck, garbage truck, pickup truck or service truck.

We have developed a proprietary VCU that allows for vehicle status awareness and vehicle operation control capabilities. We have designed our VCU to integrate the various sub-control systems and embedded systems on our ECVs into a single module, which oversees and controls vehicle operations such as monitoring, driving, alarming, communication, display, positioning, and entertaining, among other functions. Our VCU allows end-users to connect their ECV fleet to a vehicle management system in order to monitor fleet operations and driver behavior, enabling them to efficiently manage their delivery performance and logistics. Through the VCU interface, end-users are able to customize vehicle operations, including setting speed and boundary limitations, horn control, light control, and other controls that we believe enhance the safety and functionality of our ECVs.

For future vehicle applications, we have made innovations in digital control technology and employed autonomous "smart driving" technology. Our "digital control" technology allows an ECV component to act solely through the control of a computer program or AI rather than manual human intervention. For instance, a digitally enabled windshield wiper could automatically alter its speed of oscillation to optimize visibility, based on determinations of a computer program that measures the severity of the rain. Our "smart driving" technology extends digital control capability to components that control the movement of the ECV (i.e., steering, braking, acceleration, signaling and parking). We have also successfully developed a programmable chassis and tested an autonomous "smart driving" delivery truck on the road with real traffic. Our programmable chassis, while interfacing with third-party decision-making software, will not require a steering wheel or any pedals and will execute driving operations solely via control by a computer program or AI software.

We are focused on continuous improvement in our technology through continued investment in research and development. We believe our ECV expertise, market focus, installed base of vehicles and know-how (including our smart driving capabilities), coupled with our dedication to research and development, will enable us to continue advancing our business.

Low Upfront Cost and Operating Costs to End-Users

Through our modular ECV design and unique business model, we are able to enter the ECV market with a competitively priced product compared to our competitors in the ECV space. Our ECVs are designed with a proprietary, lightweight chassis structure, enabling us to use less steel and our ECVs to utilize less battery power than our competitors. Through our distributed manufacturing methodology, we can ship our vehicle kits for assembly (as opposed to completed vehicles), enabling shipment, in the case of the Metro®, of four ECVs per 40-foot ocean freight containers, resulting in lower transportation cost, and in some cases, lower import tariffs than fully assembled ECVs.

Furthermore, because our ECVs have fewer components and moving parts than their ICE counterparts, we believe the ongoing maintenance costs of our vehicles is low. In addition, engines in traditional ICE commercial vehicles typically have a 10-year life, whereas the motor in our ECVs are designed to last, on average, for more than 20 years. The lithium-ion batteries used in our ECVs have a useful life of approximately 2,000 charge-cycles, with each charge providing for a range, in the case of Metro®, of approximately 124 miles per charge for a total range of approximately 248,400 miles over a battery's useful life. Additionally, based on our collected data, the Metro® has an MPGe of approximately 156 (equivalent to 4.875 miles per KWh).

Our Integrated Supply Chain

We have invested significant time and resources in developing a supply chain capable of providing all of the components and materials necessary to manufacture our ECVs. Our integrated supply chain is comprised of over 200 suppliers predominantly located in China. Generally, our suppliers undergo rigorous testing before we onboard them as a supplier, including quality and process auditing, product verification, regulatory compliance and reliability testing. Our suppliers must demonstrate that they can consistently deliver their specialized parts on time, while meeting our quality and product specifications. Many of our components are based on Cenntro-developed designs, and our suppliers are contractually restricted from selling our customized components to any third parties.

Currently, materials and components for our ECVs are shipped to our Changxing facility where we manufacture key components of our Metro® and manufacture vehicle kits for certain of our ECV models. Our vehicle kits are then fully assembled by us at the Changxing facility or our local assembly facilities in the United States and Germany (once operational), or by our private label channel partners at their assembly facilities in the United States and certain countries in the European Union. We plan to expand our supply chain as necessary to support our planned growth, including localizing our supply chain for certain key components of our ECVs in North America and the European Union. All manufacturing processes of the ECV components for our CityPorter™, Neibor® 200, Logistar™ and Terramak™ will be subcontracted to our qualified suppliers, allowing us to further reduce our capital expenditure requirements and increase our focus on local assembly.

Our Network-Enabled Cloud Technology

Each of our ECV models are fitted with a networking device connecting the vehicle to our proprietary cloud-based software, which enables our end-users to collect data about vehicle configuration, vehicle status and user efficiency through a system of digitally enabled components, which we sometimes refer to as "smart components," that we install in our ECVs. We believe the information collected on our cloud-based information database system provides significant benefits to our end-users. With over 100 different metrics capable of being measured through the use of smart components, our database allows end-users to track the performance of specific vehicle components and provides them insight into the reliability and efficiency of these components. In addition, this information allows end-users to monitor fleet operations and driver behavior, enabling them to efficiently manage their delivery performance and logistics. To the extent end-users provide our channel partners with access to this information, our channel partners may use this information to provide enhanced after-market servicing and support to their customers. We also believe this data may be valuable to end-users for insurance, financial and other purposes. Moreover, end-users are able to use our network to customize vehicle operations, including setting speed and boundary limitations, horn control, light control, and other controls that we believe enhance the safety and functionality of our ECVs.

Using our proprietary cloud-based software, we have analyzed over seven million miles of commercial use in China in order to improve our ECVs' reliability and durability. With the permission of the end-users of the vehicles, we received data collected from approximately 950 Metro® units that we put into service through an affiliated company in the Chinese market. This data included vehicle-specific data collected for operational analysis (for example, total cumulative miles traveled or uptime before the failure of a specific component), which we used for instance to determine which of our components fail most often, which of our components fails first and for how long they were operational, in order to make improvements in the quality and durability of such components. We enable end-users to collect, store and analyze data using tools that we have developed but we do not have access to this end-user collected data unless we request and receive access from the end-user. We do not currently and do not intend to collect, use or store any vehicle-specific or driver-specific data in the future in any region.

Strategic Channel Partner Network

We have established our channel partner network to distribute our ECVs in a number of markets around the world. Through this network, we have engaged partners for local homologation, promotion, distribution, and service in the markets they serve, and, in a limited number of cases, assembly, upfitting and customization. All our channel partners sell fully assembled ECVs. In addition, channel partners that have established the capabilities to assemble our ECVs receive vehicle kits from us, assemble the vehicles and sell them locally in the country or region in which they serve under their brand. We refer to these channel partners as "private label". Our channel partners include local businesses, dealers, distributors, auto repair shops and service providers, who purchase our fully assembled ECVs (other than the private label channel partners) and sell them in their respective local markets.

More specifically, we believe our channel partner network provides significant advantages to us as we are able to outsource the cost of marketing, distribution and maintenance (and in some markets, homologation) to businesses with local know-how in their respective markets and avoid the cost of developing this local know-how. As of June 30, 2021, we had established business relationships with 16 channel partners in 13 countries, including three private label channel partners in the United States and Germany and two assembly partners in China.

Our Highly Skilled and Experienced Management Team

Our management team is led by Peter Z. Wang, our Chief Executive Officer and Chairman of the board of directors, who we refer to as our Chairman. Mr. Wang has extensive experience in the automotive and technology industries, having co-founded Sinomachinery Group (a diesel power system (engine and transmission) manufacturer) in 2006 and UTStarcom (a global telecom infrastructure provider), which went public in 2000. Mr. Wang was named as one of the Outstanding 50 Asian Americans in Business by Asian American Business Development Center in 2004, one of China's 100 Most Innovative Businessmen by Fast Company Magazine in 2017 and one of the Most Intriguing Entrepreneurs by Goldman Sachs in 2019.

More specifically, our management team has significant experience in vehicle design, supply chain, logistics, quality control and process management. Our management is singularly focused on developing and manufacturing high quality, best-in-class, light- and medium-duty ECVs for the growing ECV marketplace and becoming a technology leader in the ECV market. Starting in 2013 with a simple idea, our management team has successfully designed energy efficient ECVs and associated technologies and established a broad supply chain to support our product growth.

Our Growth Strategy

We intend to be a leading global designer, developer and manufacturer of electric light- and medium-duty ECVs. The key elements of our growth strategy include:

Expand Our Channel Partner Network and Assembly and Supporting Facilities

As of June 30, 2021, we have established business relationships with 16 channel partners in 13 countries, including the United States, Germany, Korea, Spain, Italy and Mexico, and two assembly partners in China. We plan to expand our channel partner network and increase the number of our assembly facilities in the United States, the European Union and, in the long-term, Japan. As our channel partner network and Cenntro facility footprint grows, we expect to penetrate a broader segment of the global market and increase our sales volume and product offerings. We expect to add up to 16 additional channel partners in 2022.

In 2021, we opened a local assembly facility in Freehold, New Jersey for trial production of our CityPorter™ and Terramak™ vehicles. We also have established warehousing services with a logistics company in Budapest, Hungary to house spare parts for our Metro® models. We are also in the process of establishing local assembly facilities in Dusseldorf, Germany, where we intend to assemble the Metro®, the Logistar™ and the Neibor® 200 for sales within the European Union, and in Jacksonville, Florida, where we plan to assemble the CityPorter™ and the Terramak™ for distribution to our channel partners for sales in the North American market. We believe establishing a local assembly facility in Dusseldorf will provide us with access to well-established hardware and logistics systems and trained personnel.

We believe that augmenting our channel partner network, assembly facilities and support centers together with regionalizing our supply chain will enhance brand recognition, provide economic advantages and reduce time to market for our ECVs.

Regionalize Manufacturing and Supply Chain

We plan to regionalize the manufacturing and supply chain relating to certain key components of our ECVs, such as vehicle frames and battery packs, in the geographic markets in which our ECVs are sold. In the long-term, through our deep supply chain development know-how, we plan to geographically expand our supply chain to support our planned growth. More specifically, we intend to establish supply chain relationships in North America and the European Union to support our manufacturing and assembly needs in these markets, thereby reducing the time in transit and potentially the duties associated with importing our components and spare parts from China. We believe we can reduce the overall cost of ECV assembly in certain geographical markets by shifting to a "merge in transit" model, whereby component shipments from suppliers, including local market suppliers, are consolidated at our local assembly facilities for final ECV assembly, in contrast with our current model which integrates all components into vehicle kits or fully assembled vehicles in our manufacturing facilities in China. We believe that investing in the regionalization of our manufacturing and supply chain can ultimately provide significant benefits to us and our channel partners. We believe sourcing our ECV components and manufacturing, assembling and selling our ECVs regionally can help us reduce costs associated with import/export taxes and shipping, further reducing vehicle production costs. In addition, we believe that regionalizing our manufacturing and supply chain will help support and strengthen our brand in the markets in which our ECVs are sold, as our operations become integrated into those markets. We believe that our deep supply chain development know-how will provide us significant advantages; however, substantially all of our supply chain experience is limited to China. If we are unable to effectively manage the sourcing of our components and the responsiveness of our supply chain in areas outside of China, our business and results of operations may be harmed. It is also likely that in the early stages of our supply chain expansion, we can expect most component sources will be single-source suppliers in areas outside of China.

Expand Our Product Offerings

We began pilot production of our first-generation, U.S. Class 1 (0 – 6,000 lbs.), light-duty commercial vehicle, the Metro®, in 2018, and, as of June 30, 2021, we have sold approximately 1,800 units throughout Europe, North America and Asia and deployed approximately 1,300 additional units in China through affiliated parties. Utilizing our proprietary design and technology, we expect to launch the CityPorter™ as a U.S. Class 4 (over 14,000 lbs.) medium-duty commercial vehicle in the United States in the fourth quarter of 2021, the Neibor® 200, designed to meet the European Union and UK L7e Class qualifications, in the European Union and the UK in the fourth quarter of 2021 and the Logistar™, designed to meet European Union N1 Class truck qualifications, in the European market in the fourth quarter of 2021. Our product pipeline also includes the Terramak™, an off-road electric commercial vehicle, which is expected to be commercially available in the United States during the fourth quarter of 2021 and the e-Portee programmable chassis, which is expected to become commercially available in 2022.

Expand Market Breadth and Depth

We expect to increase our market share in the current markets where our ECVs are sold, while simultaneously penetrating new markets worldwide. As of June 30, 2021, we have sold the Metro® in over 16 countries throughout North America, Europe and Asia. We have homologated the Metro® in over 32 countries. We are currently targeting new markets where local governments have begun incentivizing a shift from ICEs to EVs. We intend to expand our reach in these markets with the efforts and market knowledge of our existing channel partners as well as by forming new partnerships and leveraging our increased brand recognition.

Autonomous Driving

We intend to continue to invest in chassis digitization and smart driving technology. We have developed the e-Portee, an open-platform and programmable vehicle chassis with digital control capabilities. The e-Portee is designed to act as a basic and core execution unit of an automated or autonomous driving vehicle. It includes application programming and communication interfaces that enable third-party autonomous driving vehicle developers to use this programmable chassis to develop various autonomous driving applications and fittings. We expect the e-Portee to become commercially available in 2022.

Our ECVs

The Metro®

We began pilot production of our first-generation U.S. Class 1 (0 – 6,000 lbs.), electric light-duty commercial vehicle, the Metro®, in 2018, and, as of June 30, 2021 have since sold approximately 1,800 units throughout Europe, North America and Asia, and put into service approximately 1,300 additional units in China through affiliated parties. The Metro® is a customizable ECV used in commercial applications such as city services (i.e., street cleaners, firetrucks, and garbage trucks) and last-mile delivery. The Metro® was "born electric," meaning that, unlike many other ECVs that are converted from existing ICE designs, the Metro® was purpose-built from inception to be highly energy efficient and providing for a greater range, implementing a number of proprietary design elements, including a lightweight structure and efficient power system. The Metro® has been driven over seven million miles of commercial use by end-users in China alone.

The Metro® chassis is designed with a unique cab-forward feature. By moving the cab of the Metro® forward over the front wheels, we have been able to increase its cargo volume ratio and decrease the cost of materials used in its manufacturing. In addition, the chassis of the Metro® has been designed to support a variety of fittings, allowing the vehicle to be used for a number of different applications, which we believe is a feature rarely offered by other ECV manufacturers and gives us the opportunity to market the Metro® to a wider array of potential end-users.

The Metro® complies with, or is exempt from, all applicable vehicle safety standards related to light-duty commercial vehicles in North America, Mexico and the Asian and European countries in which it is sold. The Metro® has passed N1 homologation requirements in Asia. In the European Union, the original version of the Metro® was classified as an L7e vehicle and has passed the EU homologation requirements for this category. We have made improvements to the original Metro® design and added more components such as airbags, air conditioning and advanced brake systems. As a result, our new model of the Metro® does not meet EU L7e weight requirements and will instead be classified as an N1 vehicle. We have obtained EU Small Series Type Approval for our new model of the Metro® under N1 vehicle classification, which includes an annual sales limitation of 1,500 units into the European Union market (excluding sales by our private label channel partners in the European Union). However, since the Metro® is sold in the European Union through our channel partners and by one of our private label channel partners that sells under its own brand name as a proprietary vehicle, we will be able to sell as many as 3,000 units in the European Union annually. See "—Our Channel Partners and Channel Partner Network." In the United States, the Metro® qualifies as a Neighborhood Electric Vehicle (an "NEV") with low-speed modifications, and, as a result, is not required to pass the United States high speed front-end impact test. NEVs are built to have a top speed of 25 miles per hour (40 km/h) and have a maximum loaded weight of 3,000 lbs. (1,400 kgs) and are classified by the United States Department of Transportation as low-speed vehicles. This qualification generally limits the Metro® to roads with posted maximum speed limits of 35 miles per hour (56 km/h). Under the EU Small Series N1 Type Approval, the Metro® does not have such speed limitations in the European Union.

Our lightweight chassis structure and cab-forward design of the Metro® enable greater payload and cargo volume with lower vehicle weight and smaller vehicle size, compared to other like-size ECVs. Our modular vehicle design enables us to manufacture a wide range of variations of Metro® models around a uniform chassis structure.

We currently offer two basic models of the Metro®: the Metro® – 100 and the Metro® – 200. The primary differences among these models are the battery capacity (13–25.92 Kwh) and the driving range (100-200 km per battery charge). The following table sets forth product specifications for each of the current Metro®'s two basic models:

METRO® SPECIFICATIONS

Model	**Metro®-200**	**Metro®-100**
Dimensions (mm)	**3910x1400x1905**	**3910x1400x1905**
Payload Capacity (kg)	**500**	**500**
Cargo Volume (m^3)	**3.8**	**3.8**
Max Speed (Km/h)	**85**	**85**
Range (Km)	**200**	**100**
Turning Radius (mm)	**4200**	**4200**
Gradeability (%)	**20**	**20**
Battery Type	**Lithium-ion**	**Lithium-ion**
Battery Capacity (Kwh)	**25.92**	**13**
Nominal Power (Kw)	**12**	**12**
Peak Power (Kw)	**24**	**24**

Our total revenues for sales of the Metro® was $4.8 million and $3.2 million for the years ended December 31, 2020 and 2019, respectively, and $2.0 million for the six months ended June 30, 2021, which accounted for 87.9% and 88.5% of total revenues for the years ended December 31, 2020 and 2019, respectively, and 81.7% of total revenues for the six months ended June 30, 2021.

Vehicles in Development

We plan to introduce four new vehicles in 2021: the CityPorter™, Neibor® 200, Logistar™ and Terramak™.

CityPorter™

The CityPorter™ is a medium-duty electric commercial truck designed to meet the delivery requirements of tier 1 logistics companies as well as upfitters. The CityPorter™ is a U.S. Class 4 (over 14,000 lbs.) truck under U.S. truck classification. It can be configured as a delivery van or a shuttle bus or equipped with a cargo box or a truck bed. In addition, the CityPorter™ can be upfitted for different applications of city service, such as a vending truck, fire truck, garbage truck and repair truck. We expect that the most common use of the CityPorter™ will be for intra-city delivery.

CITYPORTER™ SPECIFICATIONS*

Dimensions (LxWxH)	**5998x2060x2730mm**	**236x81x107.5in**
Cargo Box Size (LxWxH)	**3750x2060x1900**	**147.6x81x74.8in**
Cargo Capacity	**18M^3**	**636FT^3**
Max Speed	**90km/h**	**56mile/h**
Wheelbase	**3600mm**	**141.7in**
Payload	**2470kg**	**5446lb**
Gradeability	**25%**	
Max Range NEDC	**300km**	**186mile**
Gross Vehicle Weight Rate	**6500kg**	**14,333lb**
Nominal Power	**60kw**	
Peak Power	**100kw**	
Battery Type	**LiFePO4**	
Battery Capacity	**127kwh**	

* Exact specifications are subject to change and may differ from those disclosed above.

We plan for the CityPorter™ to have a cargo volume of 18 cubic meters or 630 cubic feet (over three times the cargo volume of the Metro®) and a payload capacity of 2.745 tons (over seven times the payload capacity of the Metro®). We completed the homologation process for the CityPorter™ in the United States in the third quarter of 2021. We expect that the CityPorter™ will be commercially available in North America in the fourth quarter of 2021. We have completed all required tests to deliver the CityPorter™ to end-users in the United States except for the CARB emission test. We expect to complete the CARB emission test by the end of November 2021.

Neibor® 200

We have developed the Neibor® 200, a small truck that is designed to meet the European Union and the UK's L7e (Heavy Quadricycle) qualification. The Neibor® 200 is designed for short distance delivery in narrow city streets and is expected to be used mainly for city delivery and last-mile delivery, and to a lesser extent by tradespeople. Unlike sales of the new model of the Metro® into the EU and UK markets (under Small Series Type Approval under the N1 designation, as discussed above), we do not expect the Neibor® 200 to be subject to any annual sales limitations in the European Union or in the UK. We completed the product prototype of the Neibor® 200 in March 2021. We expect the Neibor® 200 to be homologated and commercially available in the fourth quarter of 2021 in the EU market. We plan to assemble the Neibor® 200 in our Chinese facilities and in Dusseldorf, Germany (once our facility is operational) for sale in the European Union, respectively. We have sent our production prototypes of Neibor® 200 to EU regulatory authorities for homologation, which we expect to be approved by November 2021.

NEIBOR® 200 SPECIFICATIONS*

Dimensions (LxWxH)	**3400x1480x1490mm**	**133x58x59in**
Cargo Box Size (LxWxH)	**1450x1480x1300**	**57x58x51in**
Cargo Capacity	**2.8M^3**	**100FT^3**
Max Speed	**80km/h**	**50mile/h**
Wheelbase	**2240mm**	**88in**
Payload	**450kg**	**992lb**
Gradeability	**25%**	
Max Range NEDC	**120km**	**75mile**
Gross Vehicle Weight Rate	**1,110kg**	**2,448lb**
Nominal Power	**12kw**	
Peak Power		**20kw**
Battery Type	**LiFePO4**	
Battery Capacity	**10kwh**	

* Exact specifications are subject to change and may differ from those disclosed above.

Logistar™

To complement the Neibor® 200 in the European Union, we have also designed a larger ECV model, the Logistar™. The Logistar™ is designed to qualify as an N1 category truck in the European Union and will come in two models, each specialized for last-mile delivery, city delivery and city services. We have sent our production prototypes of Logistar™ to EU regulatory authorities for homologation, which we expect to be approved by November 2021. We expect our Logistar™ will be homologated and available for purchase in the European Union market in the fourth quarter of 2021.

LOGISTAR™ SPECIFICATIONS*

Dimensions (LxWxH)	**4770x1677x2416mm**	**133x58x59in**
Cargo Capacity (cargo box)	**7.8M^3**	**100FT^3**
Max Speed	**80km/h**	**50mile/h**
Wheelbase	**3050mm**	**88in**
Payload	**1000kg**	**992lb**
Max Range NEDC	**255km**	**75mile**
Gross Vehicle Weight Rate	**2,600kg**	**2,448lb**
Peak Power	**50kw**	
Battery Type	**LiFePO4**	
Battery Capacity	**39.9kwh**	

* Exact specifications are subject to change and may differ from those disclosed above.

Terramak™

We designed the Terramak™ as an electric off-road commercial utility vehicle. The Terramak™ has a payload capacity up to 2,756lb (or 1,200kg), which we believe to be greater than the majority of currently available, off-road utility vehicles. The maximum speed of the Terramak™ is 65 km/h, which we believe is sufficient for off-road applications. We expect the Terramak™ to be used on farms, vineyards, golf courses, college campuses, parks, warehouses, industrial parks, and for other off-road applications. We anticipate that the Terramak™ will be commercially available in North America in the fourth quarter of 2021. Because the Terramak™ is an off-road ECV, it is not subject to regulations by the Department of Transportation or NHTSA (National Highway Traffic Safety Administration).

TERRAMAK™ SPECIFICATIONS*

Dimensions (LxWxH)	**3800x1575x1890mm**	**150x62x74in**
Truck Bed Size (LxWxH)	**2000x1575x520**	**78.7x62x20.5in**
Cargo Capacity	**1.64M^3**	**57.85FT^3**
Max Speed	**65km/h**	**40mile/h**
Wheelbase	**2500mm**	**98.4in**
Payload	**800/1200kg**	**1764/2756lb**
Gradeability	**26%**	
Max Range NEDC	**80km**	**50mile**
Gross Vehicle Weight Rate	**4180/4580kg**	**9,217/10,099lb**
Nominal Power	**10kw**	
Peak Power	**15kw**	
Battery Type	**LiFePO4**	
Battery Capacity	**10/15kwh**	

* Exact specifications are subject to change and may differ from those disclosed above.

Each of the CityPorter, Neibor® 200 and Logistar™ can be driven on all public roads, other than freeways in the case of the Neibor® 200.

Our Future Programmable Chassis

e-Portee

We have developed the e-Portee, an open-platform and programmable chassis product. The e-Portee is designed to act as a basic and core execution unit of an automated or autonomous driving vehicle. It includes application programming and communication interfaces that enable third-party autonomous driving vehicle developers to use this programmable chassis to develop various autonomous driving applications and fittings. We have designed the e-Portee to be able to execute commands received from an open-platform system, taking such actions as turning direction, accelerating, braking, reversing and activating lights. When combined with detection capabilities, a proprietary (or open source) driving system and configuration upfitting, the e-Portee can be integrated into a completed vehicle for various automated and autonomous driving applications, such as autonomous delivery, vending, cleaning, patrolling and other automated applications.

We anticipate that third-party developers will integrate detection devices and develop their own proprietary decision-making software or use open-source software to allow for autonomous driving using the e-Portee. We expect that the e-Portee will be commercially available in 2022.

Features of our ECVs

Lightweight Chassis

Our proprietary lightweight chassis designs are the building blocks of our ECVs. While most ECV makers today use existing chassis designs borrowed from their ICE vehicle lines, which are relatively heavier, the lightweight of our chassis promotes energy efficiency and greater range. We utilize structurally sound, lightweight and stronger steel materials in the manufacturing of our chassis for various models and have designed a structure with the aim to minimize unnecessary weight while not sacrificing structural integrity under driving stresses. These materials allow for lower overall vehicle weight, which reduces required energy consumption per mile and increases battery efficiency.

Customizable

We design our ECVs to be used in a variety of end-market applications, which we believe is a feature generally not offered by other vehicle manufacturers. In addition to being used as delivery vehicles, the Metro® has been, and we expect that our new ECV models (other than the Terramak™) will be, customized as a small firetruck, street sweeper, vending truck, and ad displayer, among other end-market applications. We are able to share these customization options with our channel partners, which can be used to expand their potential customer base and product offerings.

Low Voltage Driving System

We have adopted a low voltage (below 108 volts) power system in our Metro®, Neibor® 200 and the Terramak™ models, which offer a number of important advantages over the high voltage power systems (greater than 324 volts system) usually used in high speed (greater than 85 km/h) passenger cars. We believe low voltage power systems provide the following advantages:

- **Safety**: lower voltage systems are safer to manufacture, repair, and navigate in the event of an on-road emergency;

- **Charging Flexibility**: lower voltage vehicles can be charged anywhere with a wall outlet and do not need a high-voltage charge station. In addition, some of our Metro® units have been deployed for a trial period with a battery swap feature that we have co-developed with one of our channel partners. This feature is designed to reduce the waiting time on recharging and extend operational time of the vehicle, opening up greater market opportunities. We may deploy this feature more broadly after we have completed testing;

- **Low Cost**: lower voltage parts are more price competitive than higher voltage parts, with greater availability in the market; and

- **Reliability**: lower voltage systems operate more reliably and safely than higher voltage systems and are easier to maintain.

Technology

Our technology is at the core of what we believe positions us to effectively compete in the ECV market. Since inception in 2013 through June 30, 2021, we have spent over $74.0 million in research and development activities related to our operations, developing various technologies and advancements, including the following:

Vehicle Control Unit

We have developed a proprietary VCU that allows for vehicle status awareness and vehicle operation control capabilities. We have designed our VCU to integrate the various sub-control systems and embedded systems on our ECVs into a single module, which oversees and controls vehicle operations such as monitoring, driving, alarming, communication, display, positioning, and entertaining, among other functions. Our VCU allows end-users to connect their ECV fleet to a vehicle management system in order to monitor fleet operations and driver behavior, enabling them to efficiently manage their delivery performance and logistics. Through the VCU interface, end-users are able to customize vehicle operations, including setting speed and boundary limitations, horn control, light control, and other controls which we believe enhance the safety and functionality of our ECVs. With the permission of the end-users of the vehicles, we received data collected from approximately 950 Metro® units that we put into service through an affiliated company in the Chinese market. This data included vehicle-specific data collected for operational analysis (for example, total cumulative miles traveled or uptime before the failure of a specific component), which we used for instance to determine which of our components fail most often, which of our components fail first and for how long they were operational, in order to make improvements in the quality and durability of such components. We enable end-users to collect, store and analyze data using tools that we have developed but we do not have access to this end-user collected data unless we request and receive access from the end-user. We do not currently and do not intend to collect, use or store any vehicle-specific or driver-specific data in the future in any region.

We have developed and tested an SOC prototype that is designed to integrate all the software controlling functions into a controlling chip to eliminate the printed circuit board (PCB) of the VCU, improve the controlling stability, ease maintenance and lower costs. While our VCUs do not currently include the SOC, we intend to incorporate the SOC as our volume of ECV production and sales grow and production of the SOC becomes commercially viable.

Vehicle Digitization

To achieve intra-vehicle communication, optimal status awareness and digital control, we have developed a system of smart components and a unique vehicle bus, which is a specialized internal communication network that interconnects the vehicle’s components and allows two-way communication between each “smart” component and an end-user’s vehicle management system. This form of vehicle digitization provides the end-user the ability to monitor the status and direct actions of each smart component. For electronic components, we use digital signal technology to provide for data transmission from the component, however, for non-electronic components, such as a tire or axle, we have developed a patented vibration technology to allow for such communication. We believe our vibration technology is more reliable and cost-effective than the sensor technology often utilized by other vehicle manufacturers to provide for non-electronic component communication.

Programmable Chassis

Using our developments in vehicle digitization and smart components, we have developed the e-Portee, a programmable chassis with digital control capabilities. The e-Portee is an open-platform and programmable chassis, designed to act as a basic and core execution unit of an automated or autonomous driving vehicle, able to integrate into a completed vehicle for various automated and autonomous driving applications, such as autonomous delivery, vending, cleaning, patrolling and other automated applications. We have designed the programmable chassis to be able to execute commands received from an open-platform system. Our proprietary chassis design is capable of automated acceleration, braking, steering, signaling and multi-directional driving. We anticipate that third-party developers will integrate detection devices and develop their own proprietary decision-making software or use open-source software to allow for vehicles based on our programmable chassis to be driven autonomously.

Autonomous Driving

During the third quarter of 2018, we successfully tested an autonomous driving delivery truck on the streets of Shengzhou City, China with real traffic during daytime hours. This autonomous driving delivery truck was developed using our proprietary chassis technology, which we integrated with a third-party developer's detection devices and decision-making systems. Although we have not commercially deployed or made available our programmable chassis and autonomous driving delivery truck for marketing or distribution, we have sold our programmable chassis to four developers of autonomous driving vehicles in China and in the United States.

Manufacturing

While we rely on our supply chain to manufacture many of the components of our ECVs, we currently manufacture three of the most important components of our Metro® – the chassis, driving cab and wire harness – at our facility in Changxing, China. The chassis and driving cab are manufactured by us using laser cutting, robotic welding, and third-party coating processes. After production, we install the final electronic components and other component parts to complete the chassis and driving cab. The wire harness, which acts as the nervous system of our ECVs, is manufactured by us with digital signal receivers rather than analog, carrying signals and information to and from component parts, as well as our cloud-based information database. All manufacturing processes of the ECV components and vehicle kits for each of our new ECV models will be subcontracted to our qualified suppliers and manufacturing partners, respectively, allowing us to further reduce our capital expenditure requirements in order to execute on our light-asset distributed manufacturing business model and methodology.

Distributed Manufacturing Methodology

Through our innovative distributed manufacturing methodology, we currently manufacture and integrate our ECVs as vehicle kits, which then can be exported for assembly in our target markets or assembled in our assembly facilities and exported as fully assembled vehicles. Our ECVs are designed using a "modular" method, allowing for simple assembly processes and eliminating the need for acquiring and maintaining heavy and expensive assembly equipment at the assembly stage. Prior to 2021, the majority of our ECVs were either fully assembled for export in our Changxing facility or shipped as vehicle kits for local assembly by our private label channel partners for sale in local markets. In 2021, we opened a local assembly facility in Freehold, New Jersey to assemble our CityPorter™ and Terramak™ vehicles for trial production. Our Freehold facility will be used only for trial assembly. During 2022, we expect to assemble less than 200 vehicles at this facility. To meet our anticipated demand, we are in the process of establishing a 70,000 square foot assembly facility in Jacksonville, Florida. We expect to sign a lease by the end of 2021 and the facility is expected to begin assembling vehicles in early 2022. We expect the Jacksonville facility to have an annual assembly capacity of at least 10,000 vehicles per year. We are also in the process of establishing a local assembly facility in Dusseldorf, Germany, where we intend to assemble the Metro®, the Neibor® 200 and the Logistar™ for distribution to our channel partners for sales within the European Union. Prior to the regionalization of our supply chains, we plan to utilize our Freehold, New Jersey and Dusseldorf, Germany facilities to assemble vehicle kits that we manufacture in our facilities in Changxing or that our manufacturing partners will manufacture at their facilities. We plan to open our Dusseldorf, Germany facility by the middle of 2022. We expect the Dusseldorf facility to have an annual assembly capacity of at least 10,000 vehicles per year. We are currently in discussions with a potential third-party assembler in Germany to help us meet production demands related to our ECVs for the European market before our Dusseldorf facility becomes fully operational. In the long term, once we have successfully regionalized our supply chains for our various components, we intend to shift manufacturing and assembly of our ECVs for marketing in the United States and the European Union to local facilities in the United States and Germany, respectively.

Our Integrated Supply Chain

We have invested significant time and resources in developing a supply chain capable of providing all of the components and materials necessary to manufacture our ECVs. Our integrated supply chain is comprised of over 200 suppliers predominantly located in China. Our vehicle designs share many of the same component parts, including the battery module, battery control, motor control and vehicle control, allowing us to achieve significant cost efficiencies in our supply chain. Generally, our suppliers undergo rigorous testing before we onboard them as a supplier, including quality and process auditing, product verification, regulatory compliance and reliability testing. Our suppliers must demonstrate that they can consistently deliver their specialized parts on time, while meeting our quality and product specifications. Many of our components are based on Cenntro-developed designs, and our suppliers are contractually restricted from selling our customized components to any third parties.

Currently, materials and components for our ECVs are shipped to our Changxing facilities where we manufacture key components of our Metro® and integrate vehicle kits for assembly and shipment. Since substantially all of our manufacturing to date has been conducted through our facilities in China, sourcing our components in China has been more cost-effective than sourcing components outside of China, and we believe it has reduced risks arising from shipping delays and importing inefficiencies.

In the long-term, through our deep supply chain development know-how, we plan to geographically expand our supply chain to support our planned growth. More specifically, we intend to establish supply chain relationships in North America and the European Union to support our manufacturing and assembly needs in these markets, thereby reducing the time in transit and potentially the duties associated with importing our components and spare parts from China. We believe we can reduce the overall cost of ECV assembly by shifting to a “merge in transit” model, whereby component shipments from suppliers, including local market suppliers, are consolidated at our local assembly facilities for final ECV assembly.

Historically, we have generally obtained components from multiple sources whenever possible, similar to other automobile manufacturers. However, certain components used in our ECVs are purchased from a single-source, which we refer to as our single-source suppliers. For example, while several sources for the steering wheel and airbag module for the Metro® are available, we currently have only one supplier for these components. Additionally, we only have one supplier of the adhesive that is used for our driving cab. To date, we have not qualified alternative sources for most of the single-sourced components used in our vehicles and we generally do not maintain long-term agreements with our single-source suppliers. We do not anticipate that finding qualified alternative sources for any particular component, including single-source supplier components, will be a material concern. For our new ECV models, we anticipate that in the short term, we will source substantially all components from single-source suppliers due to volume limitations and efficiency concerns.

We use various raw materials in our business including aluminum, steel, carbon fiber, non-ferrous metals such as copper, lithium, nickel and cobalt, as well as key component inputs such as semiconductors. The prices for these raw materials and key components fluctuate depending on market conditions and global demand. We believe that we have adequate supplies or sources of availability of the raw materials necessary to meet our manufacturing and supply requirements. There are always risks and uncertainties, however, with respect to the supply of raw materials that could impact their availability in sufficient quantities or reasonable prices to meet our needs. During the first half of the year ended December 31, 2021, the automotive industry has experienced a shortage of semiconductors due to a spike in demand and a series of supply chain issues.

We have implemented enterprise resource planning and management software (the “ERP system”) to automate our procurement and inventory processes and integrate them with our financial accounting functions. We plan to make additional investments in our management systems to support further growth in our operations. Our current ERP system has multilingual capability and is utilized across the Company by each of our subsidiaries, branches and facilities globally.

Battery Systems

Our ECVs utilize a lithium-ion battery. Currently, all of our lithium-ion batteries for the Metro® are supplied by Zhejiang Gushen Technology Co. Ltd. (Gushen or Godsend), a Chinese battery manufacturer. We expect Godsend to continue to supply substantially all of the batteries for our Metro®; however, we intend to source our batteries from other suppliers, including suppliers from the United States and the European Union once available, for the CityPorter™, Neibor® 200, Logistar™ and Terramak™. Typically, the battery supplier provides us with a five-year/200,000 kilometers warranty on the batteries we purchase. Our lithium-ion batteries have two ways to charge – slow charging from a regular power outlet, which is only available in ECVs utilizing a low voltage power system (i.e. the Metro®, Neibor® 200 and Terramak™) and fast charging from a public ECV charging station. In addition, some of our Metro® units have been deployed for a trial period in Czech Republic with a battery swap feature that we have co-developed with one of our channel partners. This feature is designed to reduce the waiting time on recharging and extend operation time of the Metro®, opening up greater market opportunities. We may deploy this feature more broadly after we have completed testing.

ECVs that run on lithium-ion battery electric power can experience battery capacity and performance loss over time, depending on the use and age of the battery. We anticipate the battery capacity in our ECVs will decline over time as the battery deteriorates. Other factors such as usage, time and stress patterns may also impact the battery's ability to hold a charge, which would decrease our ECVs range. For example, depending on the battery chemistry of the specific cells inside a vehicle battery pack, after approximately 1,000 to 1,500 charge and discharge cycles, energy capacity retention is about 80%. In moderate weather conditions, a fully charged battery sitting idle can lose about 2% to 5% of its charge over a 30-day period.

Logistics

Currently, all of the components we purchase from our supply chain are shipped to our facilities in Changxing, China, where they are stored in our logistics warehouse. We inspect and verify all shipments, and any unacceptable components are shipped back to the relevant supply chain provider. Once a vehicle kit is completed, we individually pack the chassis and cab into separate steel shipping frame containers for protection, the vehicle accessories are packed into a carton box and the tires onto standard shipping pellets. Once the completed vehicle kit is ready for shipping, we typically load them into 40-foot transport containers to be shipped via ocean freight to their intended destinations. Each 40-foot container can hold up to, in the case of the Metro®, four completed vehicle kits, resulting in lower transportation costs, and in some cases, lower import tariffs than fully assembled vehicles. The ocean freight shipping process takes approximately 10 to 35 days depending on the destination, with up to an additional week for unloading and inland shipping for the vehicle kit to reach its final destination. In 2021, we recently opened a local assembly facility in Freehold, New Jersey for the trial production of our CityPorter™, and Terramak™ vehicles. We are also in the process of establishing local assembly facilities in Dusseldorf, Germany, where we intend to manufacture and assemble the Metro®, Neibor® 200 and Logistar™ for distribution to our channel partners for sales within the European Union, and in Jacksonville, Florida, where we plan to assemble the CityPorter™ and the Terramak™ for distribution to our channel partners for sales in the North American market. We also have established warehousing services with a logistics company in Budapest, Hungary to house spare parts for our Metro® models. We believe the regionalization of our manufacturing and assembly processes will significantly reduce shipping costs and import/export duties for our ECVs.

Our Channel Partners and Channel Partner Network

Our channel partner network is a pillar of our business model and further differentiates us from our traditional vertically integrated competitors. We promote and sell our ECVs in North America, the Europe Union and Asia through our channel partner network or through our assembly partners for the Chinese market. Since our business model is "Business-to-Business," we generally do not directly interact with the customers of our channel partners, who we refer to as the "end-users" of our ECVs, and substantially all marketing and sales of our ECVs are handled through our channel partners. We focus our efforts on locating potential business partners who may be interested in joining our channel partner network and act as regional partners in the promotion, sale, distribution and servicing of our ECVs in their local markets. In the future, we may transact directly with delivery service companies to provide our ECVs for their delivery fleets.

Our channel partner network includes relationships with three channel partners that sell proprietary versions of our Metro model under their own brand name. These "private label" channel partners include Ayro, Inc. ("Ayro"), Tropos Technologies, Inc. ("TMI") and Tropos Motors Europe GmbH ("TME" and, together with TMI, "Tropos").

Pursuant to a manufacturing license agreement, Ayro markets a model ECV called the "411" that we manufacture in China and ship to Ayro in vehicle kits. We own the design of the Ayro 411, which is substantially based on our Metro® model, and license to Ayro the right to market and distribute the licensed product. Ayro assembles the "411" units at their own facilities, then markets and services such vehicles similar to our other channel partners. Ayro currently has exclusive distribution and service rights to the 411 in a number of jurisdictions in the United States. Through our partnership, we also invested in Ayro and, as of June 30, 2021, own approximately 2.03% of the common stock of Ayro.

Pursuant to our agreements with TMI and TME, we produce and ship vehicle kits of a line of proprietary Tropos ECV models based on the Metro® called the ABLE. In designing the ABLE, Tropos included features to distinguish it from the Metro and Ayro 411. TME has exclusive distribution rights with respect to the ABLE model worldwide excluding China, North America, the United Kingdom and Israel.

In our view, we do not compete with our "private label" channel partners for market share between sales of the Metro (through other channel partners) and sales of their respective proprietary vehicles, the 411 and the ABLE. Rather, we view our "private label" channel partners as our customers and distributors. We believe the sale of ECVs that we design and manufacture by our "private label" channel partners enhances the overall market acceptance of ECVs in general and provides us with an additional path to sell our ECVs into a given market. Our "private label" channel partners do not manufacture and distribute the Metro®. However, Ayro currently has exclusive rights to market its 411 model in North America and TME currently has exclusive rights to market the ABLE in Germany, Austria, Belgium, Luxemburg, Switzerland and Liechtenstein.

While we develop, design and manufacture ECVs, our channel partners are responsible for marketing, sales, financing, distribution, after-market support and vehicle servicing. Currently, our "private label" channel partners are also responsible for assembly of our vehicle kits into fully assembled ECVs, but substantially all of our channel partners receive fully assembled ECVs from our manufacturing facilities. Due to these assembly responsibilities, the "private label" channel partners are typically the manufacturer of record of our ECVs. By 2022, we expect that all of our ECVs in the North American and European Union markets will be assembled by our own local assembly facilities with the exception of the vehicles assembled by our private label channel partners, while our channel partners will focus on market promotion, product distribution and vehicle service. Our channel partners, in certain target markets, also are responsible for vehicle homologation.

The length of time to onboard a channel partner is dependent on their role. Onboarding for "private label" channel partners that assemble and upfit their own branded versions of our ECVs can take up to two years from the time that we contract with them until the time they are selling ECVs as these channel partners need to establish and become familiar with our assembly technology and processes. In contrast, onboarding for a channel partner that does not intend to assemble our vehicles on site may take up to one year or as little as six months from contract to sale, depending on their familiarity with electric commercial vehicles and the types of services they will provide. We believe that establishing our own local assembly facilities has the benefit of facilitating the growth of our channel partner network by reducing onboarding time.

We provide a warranty program to our channel partners intended to cover defects in certain parts of our ECVs such as the chassis, brake system, electric systems, battery and power train. Our warranty obligations generally extend for a period of one to two years beginning on the day the ECV is sold to the end-user, unless a longer period is required, for instance pursuant to European regulations. Our "private label" channel partners who currently assemble our ECVs are generally required to indemnify us against claims for any liability that arises due to workmanship by the private label channel partners with respect to the Metro®. We believe our channel partners maintain comprehensive liability insurance for defects related our ECVs.

While we generally own all intellectual property rights including patents, patent applications, design rights, trade secrets and technical data related to the design and manufacturing of our ECVs, certain of our channel partners have been granted licenses to use our intellectual property subject to our approval. We have agreed to indemnify our channel partners from third-party claims relating to infringement concerning our intellectual property.

We believe our channel partner network provides significant advantages to us as we are able to outsource the cost of marketing, distribution and maintenance (and in some markets, homologation) to businesses with local know-how in their respective markets and avoid the cost of developing this local know-how. Our channel partner network provides significant advantages to our channel partners because they avoid the time and capital associated with vehicle design, the development of manufacturing processes and the establishment of a supply chain. In addition, our channel partners have access to customized fittings for our ECVs, allowing them to potentially expand their existing market and increase sales.

As of June 30, 2021, we had established business relationships with 16 channel partners in 13 countries, including three private label channel partners in the United States and Germany. We expect to add up to 16 additional channel partners in 2022.

The table below sets forth all 16 of our channel partners, the 13 countries in which they operate and the service they provide throughout our channel partner network, as of June 30, 2021.

Channel Partner	Country	Service Provided
Atlas Precision Products, Inc.	United States	Upfitting & Distribution
Ayro, Inc.	United States	Assembly & Distribution
Battswap CZ, s.r.o.	Czech Republic	Distribution
DAISO COMERCIALIZADORA S.A. DE C.V.	Mexico	Distribution
Group Invicta Motor	Spain	Distribution
HW Electric	Japan	Distribution
JINWOO SMC CO., LTD	Korea	Upfitting & Distribution
Lift Safe Ltd	United Kingdom	Distribution
Magnum	India	Distribution
Paver 铺路者	China	Distribution
Scoobic Group	Spain	Distribution
Sitcar Italia Srl	Italy	Distribution
Tree Movement Malaysia Sdn Bhd	Malaysia	Distribution
Tropos Motor Europe	Germany	Assembly & Distribution
Tropos Technologies, Inc.	United States	Assembly & Distribution
Upsilon Resources Pte Ltd	Singapore	Distribution

For the year ended December 31, 2020, Tropos, Upsilon Resources Pte Ltd and Ayro represented approximately 58%, 13% and 11% of our net revenues, respectively. For the six months ended June 30, 2021, Tropos, Ayro and JINWOO SMC Co., Ltd represented approximately 55%, 21% and 12% of our net revenues, respectively. For the year ended December 31, 2020 and the six months ended June 30, 2021, our channel partners purchased approximately 589 and 273 ECVs from us, respectively. As of September 30, 2021, we had approximately 1,052 ECVs on backlog, through non-cancelable committed orders with deposits. The growth in our backlog of ECVs is primarily attributable to a lack of working capital necessary to purchase all the required materials and components to complete existing orders.

Quality Control

Our quality control efforts are divided between product quality, supplier quality, and channel partner quality. Our product quality and supplier quality efforts are focused on designing and manufacturing products and processes with high levels of reliability. Our product quality engineers work with our engineering team and our suppliers to confirm that the product designs meet functional specifications and durability requirements. Our supplier quality engineers work with our suppliers to ensure that their processes and systems are capable of delivering the parts we need at the required quality level, on time, and on budget. Our quality systems engineers create and manage our systems, such as configuration management and corrective action systems, to help ensure product developers, supply chain managers, and production controllers have the requisite product information.

Our channel partner quality control efforts are focused on monitoring the marketing, sales, repair and other processes (including, some limited cases, assembly) to ensure they meet standards. Prior to selling our ECVs, our private label channel partners and assembly partners undergo performance testing designed to ensure they can assemble our ECVs correctly, timely and otherwise to standards mandated by the respective countries in which the ECVs are sold. We conduct routine monitoring and compliance audit activities to make sure such channel partners (and assembly partners) continue to meet our standards once in operation.

Facilities

We currently lease four facilities located in the United States, China and Hungary. One of our existing United States facilities located in Freehold, New Jersey, is approximately 9,750 square feet and is used primarily for offices and warehousing. Our second existing facility in Freehold, New Jersey is approximately 2,600 square feet and is used for the trial production of our CityPorter™ and the Terramak™. Our two China facilities are located in Hangzhou and Changxing, China. Our Changxing facility is approximately 165,800 square feet, and is primarily used for engineering, production of vehicle kits and fully assembled vehicles for export and logistics operations. Our Hangzhou facility is approximately 15,456 square feet, and is primary used as a regional headquarters, as well as for research and development, supply-chain management, and sales operations. We are also in the process of establishing local assembly facilities in Dusseldorf, Germany, where we intend to manufacture and assemble the Metro®, the Logistar™ and Neibor® 200 for distribution to our channel partners for sales within the European Union, and in Jacksonville, Florida, where we plan to assemble the CityPorter™ and the Terramak™ for distribution to our channel partners for sales in the North American market.

Intellectual Property

Our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patents, patent applications, trade secrets, including know-how, employee and third-party nondisclosure agreements, copyright laws, trademarks, intellectual property licenses and other contractual rights to establish and protect our proprietary rights in our technology. As of June 30, 2021, we had 132 discovery patents, nine design patents and 104 innovation patents granted by the Chinese Patent Office, and 11 innovation patent applications and 56 discovery patent applications pending in the Chinese Patent Office (including seven currently pending PCT patents), covering our technological innovations relating to power systems, vehicle electronics and structure, production processes and other new technologies. Apart from our pending PCT patents (which, if granted, will provide reciprocal protection under the treaty jurisdictions of the Patent Coordination Treaty), substantially all of our patents are granted under PRC law and have not been given reciprocal treatment and protection under the laws of either the United States or the European Union. Our issued patents will begin to expire in April 2024. We intend to continue to file additional patent applications with respect to our innovation and know-how. We also intend to continue to apply for more PCT patents in the ordinary course. We do not know whether any of our pending patent applications will result in the issuance of patents or whether the examination process will require us to narrow our claims. Even if granted, there can be no assurance that such patents will provide us with adequate protection.

Competition

Currently, there are relatively few global competitors in the light- and medium-duty ECV market. However, with the expected growth of last-mile delivery and city delivery services, new regulatory requirements for vehicle emissions, technological advances and shifting consumer demands, we expect increased competition in the ECV market. For example, according to the F&S Report, Workhorse and Daimler have introduced their first light-duty ECV models in the United States, and Nikola, Via, Nissan, Ford and GM are expected to launch light-duty ECVs in the United States in the next several years. The European light-duty commercial market is more developed, with light-duty ECV models currently being sold by Fiat Group, Renault, DHL, Piaggio, StreetScooter and other vehicle manufacturers. We believe the primary competitive factors between companies in the light- and medium-duty ECV market include:

- Total cost of ownership (including lower up-front costs);
- Availability of proprietary charging network;
- Product performance and uptime;
- Vehicle quality, reliability and safety;
- Technological innovation; and
- Service options.

Traditional ICE manufacturers and new entrants in the ECV market may have higher brand name recognition, greater capital resources and longer operating histories than we do. Nonetheless, we believe we have the benefit of lower operating costs to our end-users as well as superior core technology, which we believe are advantageous when introducing new technology. We cannot provide assurances that our competitors will not build ECVs that favorably compete with our ECVs, or that end-users will choose our ECVs over those of our competitors.

Governmental Regulations

Vehicle Safety and Testing Regulations and Standards

Our ECVs are subject to, and are designed to comply with, numerous regulatory requirements and industry standards established by the U.S. Department of Transportation ("DOT"), National Highway Traffic Safety Administration ("NHTSA"). These include early warning reporting requirements regarding warranty claims, field reports, death and injury reports; foreign recalls; owner's manual requirements; and various Federal Motor Vehicle Safety Standards ("FMVSSs"), established by the NHTSA.

Examples of the FMVSSs that apply to our vehicles include:

- **FMVSS No. 210 (Seat Belt Assemblies and Anchorages)** — Performance and equipment requirements to provide effective occupant protection by restraint and reducing the probability of failure.

- **FMVSS No. 302 (Flammability of Interior Materials)** — Burn resistance capabilities of materials used in the occupant compartments of motor vehicles.

- **FMVSS No. 305 (Electrolyte Spillage and Electrical Shock Protection)** — EV safety and battery retention following specified crash tests.

In addition to the FMVSSs, we also design our vehicles to meet the requirements of the DOT's Motor Carrier Safety Administration ("FMCSA"), which has numerous Federal Motor Vehicle Carrier Safety Requirements ("FMCSRs") that apply to our vehicles. These include specifications and requirements applicable to auxiliary lamps, speedometers, and step, handhold, and deck placement.

Our ECVs sold in the European Union require type approval to confirm that they meet a minimum set of regulatory, technical and safety requirements. Our ECVs are subject to the European Community Whole Vehicle Type Approval framework regulations set out in EU Regulation 168/2013, which applies to L7 vehicles, and EU Regulation 2018/858, which applies to certain vehicles of Categories M, N and O, including the N1, which applies to light vehicles.

The current version of the Metro® meets European Union L7e requirements for a quadricycle and we have obtained type approval for this model. The new version of the Metro® (with the addition of more components such as airbags, air conditioning and advanced brake systems) will not meet the weight requirements for L7e classification but it is intended to meet N1 classification requirements. We have obtained Small Series Type Approval for our new model of the Metro®. The Neibor® 200 is designed to meet the requirements for, and was recently successfully homologated under, L7e classification as a quadricycle. The Logistar™ is designed to meet the European Union N1 Class truck requirements and homologation in the European Union is expected to be completed in the fourth quarter of 2021.

Our ECVs, once approved by the EU Approval Authority, will receive a certificate of conformity, which is used to demonstrate compliance with the applicable type approval requirements during the vehicle registration process. Any vehicle with a certificate of conformity can be sold throughout Europe with no further regulation requirements.

Given the ECV industry is rapidly developing, requirements and regulations are likely to change over time and in various countries to which we import our ECVs for sale or assembly. It may be expensive or time consuming to comply with any changes to these requirements.

The UK has adopted the EU requirements post Brexit, so in addition to European Type Approval we need to obtain a UK National Type Approval for vehicles imported to or assembled in the UK. Applications may be based on an existing valid EU type approval. No additional testing is required and the technical requirements are the same as for the EU market. We intend to obtain the applicable approval for the EU and UK markets as needed.

EPA Emissions and Certificate of Conformity

The U.S. federal Clean Air Act requires that we obtain either a Certificate of Conformity issued by the EPA or a California Executive Order issued by the California Air Resources Board ("CARB") with respect to emissions for our vehicles. The Certificate of Conformity is required for vehicles sold in states covered by the Clean Air Act's standards, and an Executive Order is required for vehicles sold in states that have sought and received a waiver from the EPA to utilize California standards. The California standards for emissions control for certain regulated pollutants for new vehicles and engines sold in California are set by CARB. Manufacturers who sell vehicles in violation of these standards may be subject to penalties of up to $37,500 per violation, as well as product recall and corrective action requirements. We received our Certificate of Conformity and our California Executive Order for the Metro® in 2018 and 2017, respectively. We expect to receive our Certificates of Conformity for each of the CityPorter™ and Terramak™ in the fourth quarter of 2021. We expect to receive an Executive Order from CARB for each of the CityPorter™ and Terramak™ by the end of 2021.

Battery Safety, Testing, Transportation, and Recycling

Our ECVs contain battery packs, the cells of which are composed mainly of lithium-ion. Our ECVs are designed to meet ISO standards for battery systems and electrically propelled road vehicles. The latter standards address aspects of in-vehicle safety, connecting to external power supplies, conductive charging, battery pack enclosure protection from effects due to the ingress of water, and vibration, thermal-cycling, overcharge, and thermal control testing for lithium-ion battery packs and systems.

Our battery pack shipments comply with regulations governing the transport of "hazardous materials" in the United States and "dangerous goods" in the European Union. In the United States, the governing regulations, are promulgated by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") at 49 C.F.R. Parts 171–180 and are based on the UN Recommendations on the Safe Transport of Dangerous Goods Model Regulations, and related UN Manual Tests and Criteria. The latter form the basis for the EU regulations regarding the transportation of lithium-ion batteries. Under both regulatory regimes, packaging requirements vary based on the mode of transportation: e.g., ocean vessel, rail, truck, or airplane.

Our battery packs are designed to meet the compliance requirements of the UN Manual of Tests and Criteria, so that our battery packs and vehicles may be shipped by any method. These tests include:

- **Altitude simulation** — Simulating air transport;
- **Thermal cycling** — Assessing cell and battery seal integrity;
- **Vibration** — Simulating vibration during transport;
- **Shock** — Simulating possible impacts during transport;
- **External short circuit** — Simulating an external short circuit; and
- **Overcharge** — Evaluating the ability of a rechargeable battery to withstand overcharging.

The lithium-ion battery packs include packaging containing trace amounts of various hazardous chemicals whose use, storage and disposal is regulated under federal law. Moreover, lithium-ion batteries themselves may present risks to human health and the environment – including fire hazards – if improperly disposed. Our potential liability for such risks is not eliminated by virtue of our innovative distributed manufacturing methodology. Therefore, consistent with the approach of certain traditional, vertically integrated ECV manufacturers, we intend to perform product stewardship in the form of a "take-back" program to return potentially harmful materials into the circular economy. Specifically, we intend to enter into a service agreement with a third-party vendor with advanced direct cycling technology to recycle our lithium-ion batteries.

The EU has specific regulations on batteries and the disposal of batteries to minimize the negative environmental effects of batteries and hazardous waste.

The EU Battery Directive (2006/66/EC) (the "EU Battery Directive") is intended to reduce mercury, cadmium, lead and other metals in the environment by minimizing the use of these substances in new batteries and treating and re-using old batteries. The directive applies to all types of batteries except those used to protect European Member States' security, for military purposes, or sent into space. To achieve these objectives, the EU Battery Directive prohibits the marketing of some batteries containing hazardous substances. Among other things, it establishes quantified collection and recycling targets and product labeling requirements. We currently ship our ECVs pursuant to the requirements of the directive. Our current estimated costs to comply with this directive is not significant. However, we continue to evaluate the impact of this directive as European Union member states implement guidance, and actual costs could differ from our current estimates.

In December 2020, the European Commission adopted a proposal for a new regulation on batteries and waste batteries. Although in its early stages, the proposal is designed to modernize the EU's regulatory framework for batteries to secure the sustainability and competitiveness of battery value chains. It would introduce mandatory requirements on sustainability (such as carbon footprint rules, minimum recycled content, performance and durability criteria), safety and labelling for the marketing and putting into service of batteries, and requirements for end-of-life management. The proposal also includes due diligence obligations for economic operators regarding the sourcing of raw materials.

The EU Restriction of Hazardous Substances Directive 2002/95/EC (the "RoHS Directive") places restrictions on the use of certain hazardous substances in electrical and electronic equipment. All applicable products sold in the European Union market after July 1, 2006 must comply with EU RoHS Directive. While this directive does not currently affect our ECVs in any meaningful way, should any changes occur in the directive that would affect our ECVs, we will need to comply with any new regulations that are imposed.

China has implemented several regulations, policies and measures to regulate the batteries used in ECVs, which cover the security standards, recycling activities and other specifications. For example, the Interim Measures for the Management of the Recycling of Power Battery in New Energy Vehicles ("PRC Battery Measures") regulate the recycling and disposal of end-of-life batteries for new energy vehicles. The PRC Battery Measures provide that manufacturers of new energy vehicles must take primary responsibilities of the recycling of batteries and are required, for instance, to transfer batteries that have been damaged during manufacturing to vendors that provide recycling services, and to maintain records of the vehicles they have manufactured, the identification codes of the batteries incorporated into the vehicles, and the owners of the vehicles. The batteries used in our ECVs are also subject to a number of national standards in China, including functional safety requirements and testing methods for the battery management system of electric vehicles.

Our noncompliance with any of these regulations may materially and adversely affect our operations or financial condition.

Greenhouse Gas ("GHG") Credits and Nitrogen Oxide Emission Standards

In connection with the delivery and placement into service of our zero-emission vehicles, we or our channel partners in the United States have the ability to earn tradable credits that can be sold under current laws and regulations. Under regulations implemented by the EPA, each ECV may earn a credit multiplier of 4.5 for use in the calculation of emission credits. Notably, the regulations do not limit the number of battery-electric credits sold within the same commercial vehicle categories. These credits may be sold to other manufacturers who do not comply with emissions reduction standards. For example, EPA regulations require vehicle manufacturers to meet the nitrogen oxide emission standard for each type of vehicle produced. These emission standards are set to lower over time, increasing the difficulty for conventional diesel vehicles to meet the standard. It is expected that manufacturers of diesel trucks will need to purchase GHG credits to cover their emission deficit. We do not currently have any agreements with third parties to trade GHG credits but plan to enter into such agreements as our production and sales in the United States grow.

Various states have their own systems for accumulating and trading GHG credits, which generally resemble EPA's. For example, California's Low-Emission Vehicle Regulations, and similar laws in other states, require vehicle manufacturers to ensure that a portion of the vehicles delivered for sale in that state during each model year are zero emission vehicles. These laws provide that a manufacturer of zero emission vehicles may earn credits and that they may sell excess credits to other manufacturers who are not in compliance with emissions-related regulatory requirements. Currently, eleven states, besides California, have established such programs: Colorado, Connecticut, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Rhode Island, Vermont, and Washington. As a manufacturer of zero emission vehicles, we plan to pursue paths to potentially earn tradable credits on each vehicle sold in California and these other states, to the extent permitted by applicable laws.

Other State and Local Environmental Incentive Programs in the United States

Low Carbon Fuel Standard — The Low Carbon Fuel Standard ("LCFS") was initially developed in California and is quickly gaining traction in other jurisdictions around the world. The goal is to reduce the well-to-wheel carbon intensity of fuels by providing both mandated reduction targets as well as tradeable/sellable credits. The main benefit to ECV manufacturers is an indirect incentive, in the form of credits offered to suppliers of the electricity used to charge ECVs. A portion of the LCFS credits that electric utilities generate is then contributed to the Clean Fuel Reward Program and is used to offer rebates to purchasers of ECVs.

Grant Programs — Government entities at all levels from federal, including DOE, state (for example, CARB), and local (for example, North Texas Council of Governments) have grant programs designed to increase and accelerate the development and deployment of zero-emission vehicles and infrastructure technologies.

Environmental Regulations

Operations and facilities involved in the manufacture of our ECVs are subject to extensive environmental, safety, and health ("EHS") regulations. Moreover, the general trend over the past few decades has been for EHS requirements to become more stringent over time. The laws and regulations to which our operations and facilities are subject govern, among others, the storage, handling, treatment, transportation, and disposal of hazardous materials and hazardous wastes; wastewater and air emissions; resource conservation and recovery; the protection of natural resources and endangered species; and the remediation of environmental contamination. In connection with our Freehold, New Jersey facility, we believe we may need to acquire a warehouse zoning permit in order to store batteries. Compliance with environmental laws and regulations, including permitting requirements, is an important aspect of our ability – as well as that of our channel partners – to continue our operations both in the United States and in other markets. Violations of EHS laws and regulations or permits may result in substantial governmental enforcement, civil penalties, criminal fines, and orders to cease operations or to conduct or pay for corrective action. In some instances, violations may also result in the suspension or revocation of permits and licenses. Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the primary federal remedial statute, any party that contributes to an unauthorized release of hazardous substances at a contaminated site may be jointly and severally liable for the full range of remedial and governmental oversight costs associated with the cleanup. In addition to statutory liability, noncompliance with EHS laws and releases of hazardous substances, materials, or wastes may give rise to toxic tort claims, which in theory could result in material liabilities. As we expand our local assembly capabilities in our target markets, we expect our environmental liability exposure to increase. This may require us to spend additional capital resources on environmental compliance matters.

Pursuant to the Environmental Protection Law of the PRC, which was adopted on December 26, 1989, and amended on April 24, 2014, effective on January 1, 2015, any entity which discharges pollutants must adopt measures to prevent and treat waste gas, waste water, waste residue, medical waste, dust, malodorous gas, radioactive substances generated in manufacturing, construction or any other activities as well as environmental pollution and hazards such as noise, vibration, ray radiation, electromagnetic radiation etc. Environmental protection authorities impose various administrative penalties on entities in violation of the Environmental Protection Law, including warnings, fines, orders to rectify within a prescribed period, cease construction, restrict or suspend production, make recovery, disclose relevant information or make an announcement, or seize and confiscate facilities and equipment which cause pollutant emissions, the imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. In addition, pursuant to the Civil Code of the PRC, which was adopted on May 28, 2020, and effective on January 1, 2021, in the event of damage caused to others as a result of environmental pollution and ecological destruction, the actor will bear tortious liability. In the event a party, in violation of laws and regulations, intentionally pollutes the environment or damages the ecology, thereby causing serious consequences, the infringed party is entitled to claim appropriate punitive damages. Any violations of the Environmental Protection Law or the Civil Code could expose us to liabilities including fines and damages that could impact our business, prospects, financial condition and operating results.

The EU end-of-life vehicle ("ELV") regulations ensure manufacturers design, produce, and manage their vehicles to reduce waste and maximize material recovery at the point a vehicle is dismantled. For applicable vehicles, we believe we comply with applicable ELV regulations and rely on third party recyclers to recycle ELVs manufactured by us.

Data Security Regulation

International jurisdictions have their own data security and privacy legal framework with which companies or their customers must comply. The collection, use, storage, transfer, and other processing of personal data regarding individuals in the European Economic Area is governed by the GDPR, which came into effect in May 2018. It contains numerous requirements and changes from previously existing EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. Among other things, the GDPR regulates transfers of personal data subject to the GDPR to counties outside of the European Union that have not been found to provide adequate protection to such personal data, including the United States. The European Data Protection Board has issued draft guidance requiring additional measures be implemented to protect EU personal data from foreign law enforcement, including in the U.S. These additional measures may require us to expend additional resources to comply.

The GDPR also introduced numerous privacy-related changes for companies operating in the EU, including greater control for data subjects, increased data portability for EU consumers, data breach notification requirements and increased fines. Fines of up to 20 million Euros or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain GDPR requirements. Such penalties are in addition to any civil litigation claims by customers and data subjects. The GDPR requirements apply not only to third-party transactions but also to transfers of information between us and our subsidiaries, including employee information.

The European Commission has another draft regulation in the approval process that focuses on a person's right to conduct a private life, in contrast to the GDPR, which focuses on protection of personal data. The proposed legislation, known as the Regulation on Privacy and Electronic Communications, or ePrivacy Regulation, would replace the current ePrivacy Directive. While the new legislation contains protections for those using communications services (for example, protections against online tracking technologies), the timing of its proposed enactment following the GDPR means that additional time and effort may need to be spent addressing differences between the ePrivacy Regulation and the GDPR. New rules related to the ePrivacy Regulation are likely to include enhanced consent requirements to use communications content and communications metadata.

China has laws relating to the supervision of data and information protection. The Cybersecurity Law regulates the activities of "network operators," which include companies that manage any network under PRC jurisdiction. The Cyber Security Law requires that network operators, including internet information services providers, take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of its networks. As such, certain of our PRC subsidiaries may be regarded as network operators under the Cybersecurity Law, since our ECVs are fitted with networking devices. The Cybersecurity Law requires that the collection of personal data is subject to consent by the person whose data is being collected. Any violation of the Cyber Security Law may subject an internet information services provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites, or criminal liabilities.

On June 10, 2021, China enacted the DSL, which will be effective as of September 1, 2021. The DSL introduces several changes and new features to data security regulation and a comprehensive data security regime, which authorizes national departments to conduct stricter supervision of data in China. For example, the PRC government will establish a catalogue of crucial data categories and promulgate stricter regulations over the protection of such crucial data listed in the catalogue. The DSL also will introduce the concept of "National Core Data," which refers to data related to, among other topics, national security, the PRC economy, and significant public interests, and provides that stricter regulations may be imposed on such National Core Data. The cross-border transfer of domestic data as required by non-PRC judicial or enforcement authorities is also subject to the approval of competent Chinese authorities.

Compliance with the GDPR, the new ePrivacy Regulation, as well as the Cybersecurity Law and DSL in China, may involve substantial operational costs or require us to change business practices. We currently do not have a substantial presence in the European Union (other than through our channel partner network) and our business model relies on channel partners rather than direct-to-consumer sales operations. As a result, it is unlikely that we will need to incur any material costs in the near term to comply with such privacy laws and regulations. However, given our plans to open an assembly facility in Dusseldorf, Germany, and thus establish a presence in the European Union, we will likely be required to comply with certain provisions of the GDPR and the new ePrivacy Regulation (once effective). If we are required to comply with the GDPR and ePrivacy Regulation due to our Dusseldorf facility, we will need to undertake an update of certain of our business practices, which could include (i) updating internal records, policies and procedures; (ii) updating publicly facing privacy notices and consent mechanisms, where required; (iii) implementing employee privacy training; (iv) appointing an individual responsible for privacy compliance; (v) implementing an inter-group data transfer agreement; (vi) reviewing/updating contracts with vendors that process data on our behalf, and (vii) implementing an audit framework. Furthermore, if we begin selling our ECVs directly to end-users in either of these markets, we would likely be required to comply with additional regulatory requirements. However, we currently have no plan to sell ECVs directly to end-users in any market and will continue to rely on and expand our channel partner network. To the extent we become subject to any such regulations, our noncompliance could result in proceedings by governmental entities, customers, data subjects or others and may result in fines, penalties, and civil litigation claims.

We have developed data retrieving and interfacing capabilities, which enable our end-users to collect, use and store user-specific data as they desire. End-users can utilize this data to, for instance, monitor vehicle and driver's behavior to manage fleet activities. Leasing or insurance company could also potentially use this data, with permission from end-users.

With the permission of the end-users of the vehicles, we received data collected from approximately 950 Metro® units that we put into service through an affiliated company in the Chinese market. This data included vehicle-specific data collected for operational analysis, which we used to make improvements in the quality and durability of such components. We enable end-users to collect, store and analyze data using tools that we have developed but we do not have access to this end-user collected data unless we request and receive access from the end-user. We do not currently and do not intend to collect, use or store any vehicle-specific or driver-specific data in the future in any region.

PRC Intellectual Property Law

Pursuant to the Patent Law of the PRC and the Implementation Regulations for the Patent Law of the PRC, each as amended, the patent system of the PRC adopts the principle of "first to file", where two or more applicants have made their respective application for patent for the same invention-creation, the patent rights will be granted to the applicant who has filed first. Inventions and utility models for which patent rights are granted are required to possess novelty, creativity and practicality. The duration of patent rights for an invention is 20 years, the duration of patent rights for a utility model is 10 years and the duration of patent rights for a design is 15 years, commencing from the filing date. Implementation of a patent without licensing of the patentee constitutes an infringement of patent rights. Our issued patents will begin to expire in April 2024.

The PRC Copyright Law, which became effective on June 1, 1991 and was amended in 2001 and in 2010, provides that Chinese citizens, legal persons, or other organizations own copyright in their copyrightable works, whether published or not, which include, among others, works of literature, art, natural science, social science, engineering technology, and computer software. Copyright owners enjoy certain legal rights, including right of publication, right of authorship, and right of reproduction. The Copyright Law as revised in 2010 extends copyright protection to Internet activities, products disseminated over the Internet, and software products. In addition, the Copyright Law provides for a voluntary registration system administered by the China Copyright Protection Center. Pursuant to the Copyright Law, an infringer of copyrights is subject to various civil liabilities, which include ceasing infringement activities, apologizing to the copyright owners, and compensating the loss of the copyright owners. Infringers of copyright may also be subject to fines and/or administrative or criminal liabilities in severe situations.

Pursuant to the Computer Software Copyright Protection Regulations promulgated by the State Council on December 20, 2001 and amended on January 30, 2013, the software copyright owner may go through the registration formalities with a software registration authority recognized by the State Council's copyright administrative department. The software copyright owner may authorize others to exercise that copyright and is entitled to receive remuneration.

Pursuant to the Trademark Law of the PRC and the Implementation Regulations for the Trademark Law of the PRC, each as amended, the Trademark Bureau of the Administration for Industry and Commerce Department of the State Council is in charge of trademark registration and administration nationwide. In order for a trademark to be registered it must possess distinctive characteristics to facilitate identification, and cannot conflict with prior legitimate rights obtained by others. A registered trademark is valid for 10 years, commencing from the date of registration. Upon expiry of the validity period of a registered trademark, where the trademark registrant intends to continue using the trademark, the registrant must complete renewal formalities, the validity period of each renewal is 10 years.

PRC Foreign Exchange Laws

The Foreign Exchange Control Regulations of the PRC, as amended, is the main regulation of foreign exchange management in the PRC. Pursuant Foreign Exchange Control Regulations of the PRC, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities or their designated banks is required where RMB is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

Loans by Foreign Companies to PRC Subsidiaries

A loan made by foreign investors as shareholders in a foreign-invested enterprise, or FIE, is considered foreign debt in China and is regulated by various laws and regulations, including the PRC Regulation on Foreign Exchange Administration, the Interim Provisions on the Management of Foreign Debts, the Statistical Monitoring of Foreign Debt Tentative Provisions, the Detailed Rules for the Implementation of Provisional Regulations on Statistics and Supervision of Foreign Debt, and the Administrative Measures for Registration of Foreign Debt. Under these rules and regulations, a shareholder loan in the form of foreign debt made to a PRC entity does not require the prior approval of the SAFE. However, such foreign debt must be registered with and recorded by the SAFE or its local branches within fifteen business days after the entering of the foreign debt contract. Pursuant to these rules and regulations, the balance of the foreign debts of an FIE cannot exceed the difference between the total investment and the registered capital of the FIE.

On January 12, 2017, the PBOC promulgated the Notice of the People’s Bank of China on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing, or PBOC Notice No. 9. Pursuant to PBOC Notice No. 9, FIEs may adopt the currently valid foreign debt management mechanism, or the mechanism as provided in PBOC Notice No. 9 at their own discretion. PBOC Notice No. 9 provides that enterprises may conduct independent cross-border financing in Renminbi or foreign currencies as required. Pursuant to PBOC Notice No. 9, the outstanding cross-border financing of an enterprise will be calculated using a risk-weighted approach and cannot exceed certain specified upper limits. PBOC Notice No. 9 further provides that the upper limit of risk-weighted outstanding cross-border financing for enterprises is 200% of its net assets, or the Net Asset Limits. Enterprises must file with the SAFE in its capital item information system after entering into the relevant cross-border financing contracts and prior to three business days before drawing any money from the foreign debts.

Based on the foregoing, if we provide funding to our wholly foreign-owned subsidiaries through shareholder loans, the balance of such loans cannot exceed the difference between the total investment and the registered capital of the subsidiaries and we will need to register such loans with the SAFE or its local branches in the event that the currently valid foreign debt management mechanism applies, or the balance of such loans will be subject to the risk-weighted approach and the Net Asset Limits and we will need to file the loans with the SAFE in its information system in the event that the mechanism as provided in PBOC Notice No. 9 applies. Pursuant to PBOC Notice No. 9, the PBOC and the SAFE would determine the cross-border financing administration mechanism for the FIEs after evaluating the overall implementation of PBOC Notice No. 9. As of the date hereof, neither the PBOC nor the SAFE has promulgated and made public any further rules, regulations, notices, or circulars in this regard. It is uncertain which mechanism will be adopted by the PBOC and the SAFE in the future and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries.

Regulation of Dividend Distributions under PRC Law

The principal laws and regulations regulating the distribution of dividends by FIEs in China include the PRC Company Law, as amended in 2004, 2005, 2013, and 2018, and the 2019 PRC Foreign Investment Law and its Implementation Rules. Under the current regulatory regime in China, FIEs in China may pay dividends only out of their retained earnings, if any, determined in accordance with PRC accounting standards and regulations. A PRC company is required to set aside as statutory reserve funds at least 10% of its after-tax profit, until the cumulative amount of such reserve funds reaches 50% of its registered capital unless laws regarding foreign investment provide otherwise. A PRC company cannot distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

PRC Regulations on Employment and Social Welfare

The PRC Labor Contract Law, which became effective on January 1, 2008 and amended on December 28, 2012, primarily aims at regulating rights and obligations of employer and employee relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

As required under the Regulation of Insurance for Labor Injury implemented on January 1, 2004 and amended in 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Old-Aged Pension Insurance of the State Council issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council promulgated on December 14, 1998, the Unemployment Insurance Measures promulgated on January 22, 1999, and the PRC Social Insurance Law implemented on July 1, 2011 and amended on December 29, 2018, employers are required to provide their employees in China with welfare benefits covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, and medical insurance. These payments are made to local administrative authorities. Any employer that fails to make social insurance contributions may be ordered to rectify the noncompliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue. On July 20, 2018, the General Office of the State Council issued the Plan for Reforming the State and Local Tax Collection and Administration Systems, which stipulated that the SAT would become solely responsible for collecting social insurance premiums.

In accordance with the Regulations on the Administration of Housing Funds, which was promulgated by the State Council in 1999 and amended in 2002 and 2019, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Employers and employees are also required to pay and deposit housing funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time.

Human Capital Resources and Employees

Our human capital resource objectives include attracting, developing, and retaining personnel and enhancing diversity and inclusion in our workforce to foster community, collaboration, and creativity among our employees, and support our ability to grow our business. To facilitate these objectives, we seek to foster a diverse, inclusive, and safe workplace, with opportunities for employees to develop their talents and advance their careers.

We also strive to create a culture that allows our employees to explore their innovativeness and entrepreneurship and an environment where inspired people thrive in a convergence of technology and design. We encourage our employees to think creatively, act collaboratively, and use technology and data to solve problems. Our management team's sense of mission, long-term focus and commitment to our core values are central to our success.

As of June 30, 2021, we had 123 full-time employees consisting of 14 in management, 17 in research and development, nine in supply chain operations, 11 in marketing, 37 in manufacturing/engineering, five in quality assurance, 15 in finance and 15 in corporate affairs. A total of 115 employees are located in our manufacturing and design facilities in China, and eight are based in the United States. None of our employees are currently represented by labor unions or are covered by a collective bargaining agreement with respect to their employment. We enter into standard labor contracts with our Chinese employees. We also enter into standard confidentiality agreements with certain of our employees that contain non-compete restrictions. We believe we maintain a good relationship with our employees and have not experienced any major labor disputes.

Under PRC regulations, we are required to participate in and make contributions to housing funds and various employee social security plans that are organized by applicable local municipal and provincial governments, including pension, maternity, medical, work-related injury and unemployment benefit plans.

Legal Proceedings

Currently, we are not a party to any material legal or administrative proceeding. From time to time, we may be subject to various legal claims and proceedings that arise from the normal course of business activities, including, third party intellectual property infringement claims against us in the form of letters and other forms of communication. Litigation or any other legal or administrative proceeding, regardless of the outcome, could result in substantial cost, diversion of our resources, including management's time and attention, and, depending on the nature of the claims, reputational harm. In addition, if any litigation results in an unfavorable outcome, there exists the possibility of a material adverse impact on our results of operations, prospects, cash flows, financial position and brand.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION FOR THE COMBINATION

Introduction

The following unaudited pro forma condensed combined financial information has been prepared to aid in your analysis of the financial impacts of (1) the transaction between Naked Brand Group Limited. ("NBG") and Cenntro Automotive Group Limited, a Hong Kong company ("CAG HK"), Cenntro Automotive Corporation, a Delaware corporation ("CAC"), and Cenntro Electric Group, Inc., a Delaware corporation ("CEG", and, collectively with CAG HK and CAC, "Cenntro") and (2) certain related transactions. The pro forma financial information reflects the combination of historical financial information of NBG and Cenntro, adjusted to give effect to (A) the transaction, inclusive of the issuance of NBG ordinary shares for Cenntro's issued and outstanding common stock ("Cenntro Common Stock") in accordance with the terms of the Stock Purchase Agreement ("Acquisition Agreement") that NBG entered into to purchase all of the issued and outstanding ordinary shares of CAG HK, all of the issued and outstanding shares of common stock of CAC and CEG, (B) certain related equity financing transactions, (C) the payment of transaction costs, and (D) the removal from historical results of discontinued operations of NBG which will not be part of the merged entity, specifically the Bendon business which was sold during the six months ended July 31, 2021 and the divestiture of the Fredericks of Hollywood business prior to close of the transaction, as required by the Acquisition Agreement (collectively, the "Transactions"), as each are subsequently described in greater detail. Hereinafter, NBG and Cenntro are collectively referred to as the "companies," and the companies, subsequent to the transaction, are referred to herein as the "Combined Company."

The unaudited pro forma condensed combined balance sheet, which has been presented for the Combined Company as of June 30, 2021, gives effect to the Transactions as if they were consummated on June 30, 2021. The unaudited pro forma condensed combined statements of operations, which have been presented for the Combined Company for the six months ended June 30, 2021 and for the year ended December 31, 2020, give pro forma effect to the Transactions as if they had occurred on January 1, 2020. The historical consolidated financial information of NBG and historical combined financial information of Cenntro has been adjusted in the pro forma financial statements to give effect to pro forma events that are (1) directly attributable to the transaction, (2) factually supportable, and (3) with respect to the pro forma statements of operations, expected to have a continuing impact on the results of the Combined Company. The pro forma financial statements have been presented for informational purposes only and are not necessarily indicative of what the Combined Company's financial position or results of operations actually would have been had the transaction been completed as of the dates indicated. In addition, the pro forma financial statements do not purport to project the future financial position or operating results of the Combined Company

In its historical financial statements NBG applies accounting under International Financial Reporting Standards (IFRS) and Cenntro applies accounting under U.S. GAAP. For purposes of the unaudited pro forma condensed combined balance sheet and unaudited pro forma condensed combined statements of operations presentation is in accordance with U.S. GAAP as applied by Cenntro. In preparing the unaudited pro forma financial statements, NBG's historical financial statements were converted from IFRS to U.S. GAAP which resulted in no material adjustments in accounting application as compared to the historical IFRS presentation. Additionally, NBG's presentation currency in its historical financial statements for the year ended January 31, 2021 is the New Zealand dollar. In preparing the unaudited pro forma financial statements, NBG's historical amounts for the year ended December 31, 2020 have been converted to U.S. dollars to align with Cenntro's presentation currency of U.S. dollars. NBG historical unaudited condensed financial statements as of and for the six months ended July 31, 2021 were presented in U.S. dollars.

The unaudited pro forma condensed combined financial information was derived from, and should be read in conjunction with, the following historical financial statements and the accompanying notes:

- the historical unaudited condensed financial statements of NBG as of and for the six months ended July 31, 2021, which are included in NBG's Report of Foreign Private Issuer on Form 6-K for the six months ended July 31, 2021, filed with the SEC on November 4, 2021, and the historical audited financial statements of NBG as of and for the year ended January 31, 2021, which are included in NBG's Annual Report on Form 20-F for the fiscal year ended January 31, 2021, filed with the SEC on May 18, 2021; and

- the historical unaudited condensed combined financial statements of Cenntro as of and for the six months ended June 30, 2021 and the historical audited combined financial statements of Cenntro as of and for the year ended December 31, 2020, each of which are included elsewhere in this report.

The unaudited pro forma condensed combined financial information should also be read together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," included in NBG's Report of Foreign Private Issuer on Form 6-K for the six months ended July 31, 2021, filed on November 4, 2021, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," included in NBG's Annual Report on Form 20-F for the fiscal year ended January 31, 2021, filed on May 18, 2021, and "*Cenntro's Management's Discussion and Analysis of Financial Condition and Results of Operations*," included elsewhere in this report.

Description of the Transactions

The unaudited pro forma condensed combined financial statements reflect (1) the transaction between NBG and Cenntro in accordance with the Acquisition Agreement dated November 5, 2021, (2) the issuance of incremental ordinary shares of NBG ordinary shares in financing transactions, and (3) additional transactions directly related to and/or triggered by the transaction. More specifically, the unaudited pro forma condensed combined financial statements give effect to the following material events:

- the issuance of NBG ordinary shares in exchange for all of issued and outstanding Cenntro Common Stock in accordance with the Acquisition Agreement dated November 5, 2021;
- disposal of NBG's subsidiary operations prior to the Closing pursuant to the Acquisition Agreement. Specifically, NBG will divest of the Fredericks of Hollywood business;
- the issuance and sale of approximately 35.0 million NBG ordinary shares by way of an "at the market offering" for a net offering price of $20 million in the aggregate; and
- the sale and issuance of approximately 134.8 million NBG ordinary shares and ordinary share warrants for a purchase price of $30 million in the aggregate, pursuant to a private placement of NBG ordinary shares.

Pursuant to the Acquisition Agreement, the total number of NBG ordinary shares issued to holders of Cenntro Common Stock in connection with the transaction (the "Acquisition Shares") will result in existing beneficial Cenntro shareholders obtaining approximately 67.7% of the post transaction issued and outstanding NBG ordinary shares.

The following table provides an estimate of the Combined Company's ordinary shares that are anticipated to be outstanding immediately subsequent to consummation of the Transactions:

Combined Company ordinary shares held by:	Shares Outstanding	% of Post-transaction Outstanding Shares
Pre-transaction NBG stockholders	1,201,824,803	32.3%
Pre-transaction holders of Cenntro Common Stock	2,521,185,570	67.7%
	3,723,010,373	

Accounting for the Transaction

Notwithstanding the legal form of the transaction pursuant to the Acquisition Agreement, the transaction is accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, NBG is treated as the acquired company for financial reporting purposes, and Cenntro is treated as the accounting acquirer. In accordance with this accounting method, the transaction is treated as the equivalent of Cenntro issuing stock for the net assets of NBG, accompanied by a recapitalization. The net assets of NBG are stated at historical cost, with no goodwill or other intangible assets recorded, and operations prior to the closing of the transaction are those of Cenntro.

Cenntro was deemed the accounting acquirer for purposes of the transaction based on an evaluation of the following facts and circumstances:

- Cenntro's senior management team as of immediately prior to the Transactions comprises senior management of the post-closing Combined Company;
- Cenntro designated a majority of the members of the Combined Company's initial Board of Directors;
- Cenntro's operations comprise the ongoing operations of the Combined Company; and
- Cenntro's pre-transaction shareholders will comprise the majority of the Combined Company shareholders.

Basis of Pro Forma Presentation

In accordance with Article 11 of Regulation S-X, pro forma adjustments to the combined historical financial information of NBG and Cenntro give effect to transaction accounting adjustments that (1) depict in the unaudited pro forma condensed combined balance sheet the accounting required to be applied to the Transactions pursuant to U.S. GAAP assuming those adjustments were made as of June 30, 2021 and (2) depict in the unaudited pro forma condensed combined statements of operations the effects of the pro forma balance sheet adjustments, assuming those adjustments were made as of the beginning of the earliest period presented. Accordingly, non-recurring pro forma adjustments that impact the pro forma income of the Combined Company have been recorded to the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020, as the Transactions are assumed to have occurred on January 1, 2020 for purposes of presenting pro forma statement of operations information. NBG and Cenntro have not had any historical relationship prior to the Transactions, thus preparation of the accompanying pro forma financial information did not require any adjustments with respect to such activities.

The unaudited pro forma condensed combined financial information has been presented to provide relevant information necessary for an understanding of the Combined Company subsequent to completion of the Transactions. However, the unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and is not necessarily indicative of the operating results and financial position that would have been achieved had the Transactions occurred on the dates indicated, and does not reflect adjustments for any anticipated synergies, operating efficiencies, tax savings or cost savings. The pro forma adjustments represent estimates based on information available as of the dates of the unaudited pro forma condensed combined financial information and are subject to change as additional information becomes available. Assumptions and estimates underlying the pro forma adjustments set forth in the unaudited pro forma condensed combined financial information are described in the accompanying notes. The actual financial position and results of operations of the Combined Company subsequent to consummation of the Transactions may differ significantly from the pro forma amounts reflected herein.

PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JUNE 30, 2021
(UNAUDITED)
(in thousands)

	NBGL (Historical)	NBGL (Elimination of discontinued operations)	NBGL (As adjusted)	Cenntro (Historical)	Pro Forma Adjustments	Ref	Pro Forma Combined
Assets							
Current Assets							
Cash and cash equivalents	279,035	(1,288)	277,747	1,965	17,929	**(A)**	297,641
Accounts receivable, net of allowance of $0 and $0, respectively	790	(790)	-	1,614	-		1,614
Inventories	3,462	(3,462)	-	2,859	-		2,859
Prepaid expenses and other current assets	-	-	-	2,292	-		2,292
Receivable from disposal of land use rights and properties	-	-	-	1,611	-		1,611
Amounts due from related parties	1,685	-	1,685	408	(1,685)	**(K)**	408
Other Current Non Financial Assets	1,217	(332)	885	-	(885)	**(K)**	-
Total current assets	286,189	(5,872)	280,317	10,748	15,359		306,424
Property, plant, and equipment, net	26	-	26	926	-		952
Intangible assets	8,560	(8,560)	-	24	-		24
Right of use assets, net	196	-	196	3,063	-		3,259
Other noncurrent assets	148	-	148	2,485	(2,096)	**(L)**	537
Total Assets	295,119	(14,432)	280,687	17,246	13,263		311,195
Liabilities							
Current liabilities							
Accounts and notes payable	13,859	(2,966)	10,893	1,497	(10,893)	**(M)**	1,497
Accrued expense and other current liabilities	-	-	-	5,862	(1,202)	**(M)**	4,660
Contractual liabilities	-	-	-	1,527	-		1,527
Operating lease liabilities, current	98	-	98	449	-		547
Amounts due to related parties	-	-	-	1,964	-		1,964
Borrowings	-	-	-	-	-		-
Derivative financial liabilities	-	-	-	-	-		-
Current tax liabilities	42	-	42	-	(42)	**(K)**	-
Provisions	53	(53)	-	-	-		-
Total current liabilities	14,052	(3,019)	11,033	11,299	(12,137)		10,195
Operating lease liabilities, non-current	98	-	98	2,261	-		2,359
Total liabilities	14,150	(3,019)	11,131	13,560	(12,137)		12,554
Stockholders' equity (deficit):							
NAKD Share Capital	494,423	-	494,423	-	(494,423)	**(N)**	-
NAKD Other Reserves	195	-	195	-	(195)	**(N)**	-
Cenntro Electric Group, Inc. common stock (New Co)	-	-	-	1	(1)	**(N)**	-
Cenntro Automotive Corporation common stock	-	-	-	-	-		-
Cenntro Automotive Group Limited common stock	-	-	-	-	-		-
Combined Company Common Stock	-	-	-	-	394,440	**(N)**	394,440
Additional paid in capital	-	-	-	103,272	(103,272)	**(N)**	-
Accumulated deficit	(213,649)	(11,413)	(225,062)	(97,857)	228,851	**(N)**	(94,068)
Accumulated other comprehensive loss	-	-	-	(1,696)	-		(1,696)
Total Stockholders' equity (deficit)	280,969	(11,413)	269,556	3,720	25,400		298,676
Non-controlling interest	-	-	-	(34)	-		(34)
Total Liabilities, Preferred Stock and Stockholders' equity (deficit)	295,119	(14,432)	280,687	17,246	13,263		311,195

See the accompanying notes to the unaudited pro forma condensed combined financial statements.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(in thousands, except share and per share data)

	NBGL (Historical)	NBGL (Elimination of discontinued operations)	NBGL (As adjusted)	Cenntro (Historical)	Pro Forma Adjustments	Ref	Pro Forma Combined
Net Revenues	$ 6,571	$ (6,571)	$ -	$ 2,456	$ -		$ 2,456
Cost of goods sold	(4,420)	4,420	-	(2,005)	-		(2,005)
Gross profit/(loss)	2,151	(2,151)	-	450	-		450
Operating Expenses							
Brand management expenses	(2,123)	2,111	(12)	-	-		(12)
Corporate expenses	(2,948)	83	(2,865)	-	-		(2,865)
Finance expense	(44)	-	(44)	-	-		(44)
Brand transition, restructure and transaction expenses	(13,317)	13,317	-	-	-		-
Selling and marketing expenses	-	-	-	(262)	-		(262)
General and administrative expenses	(722)	529	(193)	(4,161)	-		(4,354)
Research and development expenses	-	-	-	(637)	-		(637)
Provision for doubtful accounts	-	-	-	79	-		79
Operating loss	(17,003)	13,889	(3,114)	(4,531)	-		(7,645)
Other income	84	-	84	402	-		486
Impairment expense	(4,971)	4,971	-	-	-		-
Other foreign currency gains	(483)	-	(483)	-	-		(483)
Interest income / (expense)	-	-	-	(418)	-		(418)
Fair value loss on Convertible Notes derivative and warrants	(10,794)	-	(10,794)	-	10,794	**(a)**	-
Net loss before income taxes and discontinued operations	(33,167)	18,860	(14,307)	(4,547)	10,794		(8,060)
Income tax expense	(33)	-	(33)	-	-		(33)
Net loss	$ (33,200)	$ 18,860	$ (14,340)	$ (4,547)	$ 10,794		$ (8,093)
Weighted average number of shares outstanding							3,307,644,888
Basic and Diluted net loss per share							$ (0.002)

See the accompanying notes to the unaudited pro forma condensed combined financial statements.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)
(in thousands, except share and per share data)

	NBGL (Historical)	NBGL (Elimination of discontinued operations)	NBGL (As adjusted)	Cenntro (Historical)	Pro Forma Adjustments	Ref	Pro Forma Combined
Net Revenues	$ 52,418	$ (52,418)	$ -	$ 5,460	$ -		$ 5,460
Cost of goods sold	$ (30,222)	$ 30,222	$ -	$ (4,890)	$ -		$ (4,890)
Gross profit/(loss)	$ 22,196	$ (22,196)	$ -	$ 570	$ -		$ 570
Operating Expenses							
Brand management expenses	(18,914)	18,914	-	-	-		-
Corporate expenses	(6,123)	4,025	(2,098)	-	-		(2,098)
Finance expense	(5,379)	1,233	(4,146)	-	4,146	(aa)	-
Brand transition, restructure and transaction expenses	(14,753)	14,753	-	-	-		-
Selling and marketing expenses	-	-	-	(784)	-		(784)
General and administrative expenses	(6,258)	5,978	(280)	(8,736)	(12,572)	(bb)	(21,588)
Research and development expenses	-	-	-	(1,365)	-		(1,365)
Provision for doubtful accounts	-	-	-	(320)	-		(320)
Operating loss	(29,231)	22,707	(6,524)	(10,634)	(8,426)		(25,584)
Other income	2,766	(2,766)	-	-	-		-
Impairment expense	(3,206)	3,206	-	-	-		-
Other foreign currency gains	2,385	155	2,540	-	-		2,540
Interest income / (expense)	3	(3)	-	(1,412)	-		(1,412)
Fair value loss on Convertible Notes derivative and warrants	(17,389)	-	(17,389)	-	17,389	(aa)	-
Loss from and impairment on equity method investments	-	-	-	(330)	-		(330)
Gain from disposal of land use rights and properties	-	-	-	7,005	-		7,005
Other income/(expense), net	-	-	-	174	(25)	(cc)	149
Net loss before income taxes and discontinued operations	(44,672)	23,299	(21,373)	(5,197)	8,938		(17,632)
Income tax expense	(88)	88	-	-	-		-
Net loss	$ (44,760)	$ 23,387	$ (21,373)	$ (5,197)	$ 8,938		$ (17,632)
Weighted average number of shares outstanding							3,076,180,805
Basic and Diluted net loss per share							$ (0.006)

See the accompanying notes to the unaudited pro forma condensed combined financial statements.

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

NOTE 1—BASIS OF PRO FORMA PRESENTATION

The transaction between NBG and Cenntro is accounted for as a reverse recapitalization in accordance with U.S. GAAP. Under this method of accounting, NBG is treated as the acquired company for financial reporting purposes, and Cenntro is treated as the accounting acquirer. The transaction is treated as the equivalent of Cenntro issuing stock for the net assets of NBG, accompanied by a recapitalization. The net assets of NBG are stated at historical cost, with no goodwill or intangible assets recorded. Operations prior to the transaction are those of Cenntro.

The unaudited pro forma condensed combined balance sheet as of June 30, 2021 assumes that the Transactions were completed on June 30, 2021. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 give pro forma effect to the Transactions as if they had occurred on January 1, 2020. Non-recurring pro forma adjustments that impact the pro forma income of the Combined Company have been recorded to the pro forma condensed combined statement of operations for the year ended December 31, 2020, as the Transactions are assumed to have occurred on January 1, 2020 for purposes of presenting pro forma income statement information.

NBG has a fiscal year end of January 31, while Cenntro has a calendar year end (December 31), accordingly the most recent period ended balance sheet date for NBG is July 31, 2021 and for Cenntro is June 30, 2021. As Cenntro has been determined to be the accounting acquirer, its latest interim balance sheet date was used for pro forma presentation (June 30, 2021) and their prior calendar year end was used for prior annual period presentation. According to SEC Regulation S-X, when the acquiree's year end is less than one quarter different than the acquirer's year end, the acquirer combines its annual income statement with the acquiree's for the same year. Accordingly, in the pro forma financial statements the following periods have been combined:

- Historical balance sheet of Cenntro as of June 30, 2021 and historical balance sheet of NBG as of July 31, 2021.
- Historical statement of operations of Cenntro for the year ended December 31, 2020 and historical statement of operations of NBG for the fiscal year ended January 31, 2021.
- Historical statement of operations of Cenntro for the six months ended June 30, 2021 and historical statement of operations of NBG for the six months ended July 31, 2021.

The unaudited pro forma condensed combined financial information was derived from, and should be read in conjunction with, the following historical financial statements and the accompanying notes:

- The historical unaudited condensed financial statements of NBG as of and for the six months ended July 31, 2021, which are included in NBG's Form 6-K for the six months ended July 31, 2021, filed with the SEC on November 4, 2021, and the historical audited financial statements of NBG as of and for the year ended January 31, 2021, which are included in NBG's Form 20-F for the fiscal year ended January 31, 2021, filed with the SEC on May 18, 2021.
- The historical unaudited condensed combined financial statements of Cenntro as of and for the six months ended June 30, 2021 and the historical audited combined financial statements of Cenntro as of and for the year ended December 31, 2020, which are included elsewhere in this report.

In its historical financial statements NBG applies accounting under International Financial Reporting Standards (IFRS) and Cenntro applies accounting under U.S. GAAP. For purposes of the unaudited pro forma condensed combined balance sheet and unaudited pro forma condensed combined statements of operations presentation is in accordance with U.S. GAAP as applied by Cenntro. In preparing the unaudited pro forma financial statements, NBG's historical financial statements were converted from IFRS to U.S. GAAP which resulted in no material adjustments in accounting application as compared to the historical IFRS presentation. Additionally, NBG's presentation currency in its historical financial statements for the year ended January 31, 2021 is the New Zealand dollar. In preparing the unaudited pro forma financial statements, NBG's historical amounts for the year ended December 31, 2020 have been converted to U.S. dollars to align with Cenntro's presentation currency of U.S. dollars. NBG historical unaudited condensed financial statements as of and for the six months ended July 31, 2021 were presented in U.S. dollars.

The unaudited pro forma condensed combined financial information does not give effect to any management adjustments or anticipated synergies, operating efficiencies, cost savings or other benefits that may result from consummation of the Transactions. The pro forma adjustments are based on currently available information and certain assumptions and methodologies believed to be reasonable under the circumstances. Management has made significant estimates and assumptions in its determination of the pro forma adjustments and, accordingly, actual amounts may differ materially from the information presented. However, management believes that its assumptions and estimates provide a reasonable basis for presenting all of the significant effects of the Transactions based on information available to management at the time, and the pro forma adjustments give appropriate effect to those assumptions and are applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position of the Combined Company would have been had the Transactions taken place on the dates indicated, nor is the information indicative of the future consolidated results of operations or financial position of the Combined Company.

NOTE 2—ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AS OF JUNE 30, 2021

The unaudited pro forma condensed combined balance sheet as of June 30, 2021 includes adjustments for the elimination of discontinued operations to arrive at an adjusted NBG balance prior to transaction adjustments. Specifically, these adjustments are presented to reflect the removal of the Fredericks of Hollywood business that will be disposed of prior to the close of the transaction, as required by the Acquisition Agreement. Additionally, the following transaction adjustments were reflected in the pro forma balance sheet:

A—Represents the aggregate impact of the following pro forma adjustments to cash to give effect to the transaction, the issue and sale of ordinary shares by NBG, payment of transaction costs, and the cash settlement of certain NBG and Cenntro financial obligations, for which payment was triggered by the transaction:

	Pro Forma Adjustments (in thousands)	
Cash inflow from private placement	$ 29,975	(B)
Cash inflow from “at the market offering”	20,000	(C)
Cash inflow from NBG’s accounts receivable and other assets	2,612	(D)
Payments of accrued IPO costs for Cenntro	(1,202)	(E)
Payment of estimated transaction costs for NBG	(5,145)	(F)
Payment of estimated transaction fees for Cenntro	(3,528)	(F)
Payment of phantom warrants liability for NBG	(17,488)	(G)
Payment of management incentives for NBG	(3,899)	(H)
Payment of NBG’s accounts payable	(3,396)	(J)
Net Pro Forma Adjustment to Cash	$ 17,929	**(A)**

B—Represents gross cash proceeds attributable to the sale and issuance of approximately 135 million shares of NBG ordinary shares and ordinary share warrants for $30 million in aggregate gross proceeds less $25 thousand in placement fees, upon the closing of the private placement that will occur in connection with the consummation of the transaction. Refer to balance sheet adjustment “N” for the pro forma impact of the share issuance on the Combined Company’s equity.

C—Represents gross cash proceeds attributable to the sale and issuance of approximately 35 million shares of NBG ordinary shares for $20 million in aggregate gross proceeds by way of an “at the market offering”. Refer to balance sheet adjustment “N” for the pro forma impact of the share issuance on the Combined Company’s equity.

D—Represents gross cash proceeds attributable to the anticipated receipts of NBG’s accounts receivable and other current assets.

E—Reflects the cash payment of accrued costs incurred by Cenntro in connection with its preparations for an anticipated initial public offering (IPO), which will be paid prior to close of the transaction with NBG.

F—Reflects estimated direct and incremental transaction costs to be incurred by NBG and Cenntro — comprised primarily of legal and other fees that will be paid by NBG prior to consummation of the Transactions. Refer to balance sheet adjustments “N” for the corresponding pro forma adjustments to equity reported for the Combined Company.

G—Reflects the cash payment of phantom warrants, a portion of which were already accrued liabilities in NBG's historical financial statements. Refer to balance sheet adjustment "M" related to existing accrual of a portion of these phantom warrants which are required to be paid prior to the close of the transaction.

H—Reflects the cash payment of non-recurring transaction bonuses to NBG employees that were not previously accrued but triggered by and paid upon consummation of the transaction.

J—Reflects cash that will be used to pay NBG's accounts payable and accrued liabilities balances reported as of June 30, 2021 that is required by the Acquisition Agreement to be paid by NBG prior to the closing of the transaction.

K— Represents cash gross proceeds attributable to the anticipated receipts of NBG's accounts receivable from related parties and refund on VAT receivable of $0.9 million, as well as the cash payment of $42 thousand of tax provisions by NBG.

L—Reflects the write-off of capitalized IPO-related costs on Cenntro's balance sheet as of June 30, 2021.

M—Represents payments primarily related to NBG's July 31, 2021 accounts payable and accrued expenses prior to close of the transaction, which is a condition of the Acquisition Agreement. Payments relate to the accrued portion of incentive payments described in adjustment "G" and $1.4 million of other accounts payable balances. The payment of Cenntro's accrued IPO costs are also included in the adjustment and the total adjustment is partially offset by an accrual for anticipated transaction costs not yet incurred by Cenntro of $3.5 million.

N—Represents the aggregate impact of the pro forma adjustments to the Combined Company's accumulated deficit and Combined Company ordinary shares to give effect to the following items triggered by consummation of the transaction:

	Amount (in thousands)
Payment of estimated transaction fees for NAKD	(5,145)
Accrual of Cenntro's transaction costs	(3,528)
Writing off Cenntro's capitalized IPO costs	(2,096)
Payment of transaction warrants	(7,991)
Net cash proceeds from Naked's Accounts Receivable and Payable	84
Paymen of private placement fees	(25)
Paymen of license fees by Naked	(2,000)
Issuance of new shares for CEO's incentives	(72,997)
Payment of management incentives	(3,899)
Eliminating Naked's accumulated deficit to Combined Company Common Stock	326,448
Net Pro Forma Adjustment to Accumulated Deficit	228,851

	Amount (in thousands)
Eliminating Naked's share capital into new capital structure	494,423
Eliminating shares from additional financing into new capital structure	20,000
Eliminating shares from private placement into new capital structure	30,000
Eliminating shares issued to NBG employees into new capital structure	72,997
Eliminating Naked's accumulated deficit	(326,448)
Eliminating Naked's other reserves	195
Eliminating Cenntro's share capital into new capital structure	1
Eliminating Cenntro's accumulated deficit	103,272
Total Net Pro Forma Adjustment to Combined Company Common Stock	394,440

NOTE 3—ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2021

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2021 includes adjustments for the elimination of discontinued operations to arrive at an adjusted NBG balance prior to transaction adjustments. Specifically, these adjustments are presented to reflect the removal of the Fredericks of Hollywood business that will be disposed of prior to the close of the transaction, as required by the Acquisition Agreement. Additionally, the following transaction adjustments were included in the pro forma statement of operations:

a—To eliminate the remeasurement loss recorded during the period for convertible note instruments that would presume to have converted prior to the consummation of the transaction, thus as of the beginning of the respective period.

NOTE 4—ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020 includes adjustments for the elimination of discontinued operations to arrive at an adjusted NBG balance prior to transaction adjustments. These adjustments are presented to reflect the removal of (a) discontinued operations related to the Bendon business that was sold during the six months ended July 31, 2021 and (b) the divestiture of the Fredericks of Hollywood business that will be disposed of prior to the close of the transaction, as required by the Acquisition Agreement. Additionally, the following transaction adjustments were included in the pro forma statement of operations:

aa— To eliminate the remeasurement loss and related interest expense recorded during the period for convertible note instruments that would presume to have converted prior to the consummation of the transaction, thus as of the beginning of the respective period.

bb—Represents direct and incremental transaction costs — comprised primarily of legal and other fees that are expected to be incurred by (i) NBG for $5.1 million and (ii) Cenntro for $3.5 million upon consummation of the Transactions. Also included are transaction incentive payments of $3.9 million expected to be paid to certain employees of NBG at close of the transaction.

cc—Represents costs related to the private placement funding.

NOTE 5 – LOSS PER SHARE

Basic loss per share represents the net loss per share calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the transaction, assuming the shares were outstanding at the beginning of the periods presented.

Diluted loss per ordinary share is the same as basic loss per ordinary share for all periods presented because the effects of potentially dilutive items were anti-dilutive given the pro forma combined net loss. Ordinary share equivalent securities have been excluded from the calculation of weighted-average ordinary shares outstanding because the effect is anti-dilutive for the periods presented:

	Year Ended December 31, 2020	Six Months Ended June 30, 2021
Numerator		
Pro forma net loss (in thousands)	$ (17,632)	$ (8,093)
Denominator		
NBG shareholders	568,867,920	800,428,867
Cenntro shareholders	2,337,477,896	2,337,381,032
At the market financing shareholders	34,988,585	34,988,585
Private placement shareholders	134,846,404	134,846,404
Weighted average shares outstanding of Combined Company	3,076,180,805	3,307,644,888
Loss per share		
Basic and diluted	$ (0.006)	$ (0.002)

The number of ordinary share equivalents excluded from the calculations above of basic and diluted loss per share because the share equivalents would have been antidilutive to the calculation were 183.7 million for the year ended December 31, 2020 and 183.8 million for the six months ended June 30, 2021.

NBG'S UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR CERTAIN DISCONTINUED OPERATIONS

Introduction

The following historical unaudited pro forma condensed consolidated financial information for the years ended January 31, 2021, 2020 and 2019 for Naked Brand Group Limited ("NBG") have been prepared to show the removal from historical results the discontinued operations of NBG specifically related to the Bendon business, which was sold during the six months ended July 31, 2021.

The presentation currency of NBG was changed from New Zealand dollars to U.S. dollars to align with the current presentation currency of NBG that changed following the disposal of the discontinued operations.

The historical audited consolidated financial statements of NBG were included in NBG's Annual Report on Form 20-F for the fiscal year ended January 31, 2021, which was filed by NBG with the SEC on May 18, 2021.

NBG'S PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED JANUARY 31, 2021, 2020 and 2019
(UNAUDITED)
(in thousands, except shares and per share data)

Year Ended January 31, 2021	31 January 2021 (Historical) US $000's	(Elimination of discontinued operations) US $000's	31 January 2021 (As adjusted) US $000's
Continuing operations			
Revenue	52,418	(36,428)	15,990
Cost of sale of goods	(30,222)	18,410	(11,812)
Gross profit	**22,196**	**(18,018)**	**4,178**
Other Income	2,766	(2,766)	-
Interest Income	3	(3)	-
Brand management expenses	(18,914)	13,492	(5,422)
Administrative expenses	(6,258)	5,964	(294)
Corporate expenses	(6,123)	3,749	(2,374)
Finance expenses	(5,379)	1,215	(4,164)
Brand transition, restructure and transaction expenses	(14,753)	1,320	(13,433)
Impairment expense	(3,206)	3,206	-
Other foreign currency gain/(loss)	2,385	155	2,540
Fair value loss on convertible notes derivative and warrants	(17,389)	-	(17,389)
Gain on disposal of intangible Assets	-	-	-
Loss before income tax	**(44,672)**	**8,314**	**(36,358)**
Income tax expense	(88)	88	-
Total loss for the period	**(44,760)**	**8,402**	**(36,358)**
Weighted average number of shares outstanding			109,370,410
			US$
Basic and Diluted net loss per share			$ (0.332)

See the accompanying notes to the historical unaudited pro forma condensed consolidated financial statements.

Year Ended January 31, 2020	31 January 2020 (Historical) US $000's	(Elimination of discontinued operations) US $000's	31 January 2020 (As adjusted) US $000's
Continuing operations			
Revenue	59,218	(40,421)	18,797
Cost of sale of goods	(36,982)	24,038	(12,944)
Gross profit	**22,236**	**(16,383)**	**5,853**
Other Income	-	-	-
Interest Income	8	(8)	-
Brand management expenses	(23,377)	16,461	(6,916)
Administrative expenses	(7,783)	7,277	(506)
Corporate expenses	(8,398)	5,009	(3,389)
Finance expenses	(3,428)	2,564	(864)
Brand transition, restructure and transaction expenses	(9,595)	4,033	(5,562)
Impairment expense	(5,854)	1,484	(4,370)
Other foreign currency gain/(loss)	404	(1,242)	(838)
Fair value loss on convertible notes derivative and warrants	-	-	-
Gain on disposal of intangible Assets	596	-	596
Loss before income tax	**(35,191)**	**19,195**	**(15,996)**
Income tax expense	(514)	52	(462)
Total loss for the period	**(35,705)**	**19,247**	**(16,458)**
Weighted average number of shares outstanding			1,563,056
			US$
Basic and Diluted net loss per share			$ (10.529)

See the accompanying notes to the historical unaudited pro forma condensed consolidated financial statements.

Year Ended January 31, 2019	31 January 2019 (Historical) US $000's	(Elimination of discontinued operations) US $000's		31 January 2019 (As adjusted) US $000's
Continuing operations				
Revenue	77,012	(73,231)		3,781
Cost of sale of goods	(51,250)	48,783		(2,467)
Gross profit	**25,762**	**(24,448)**		**1,314**
Other Income	-	-		-
Interest Income	-	-		-
Brand management expenses	(33,893)	31,988		(1,905)
Administrative expenses	(2,362)	2,322		(40)
Corporate expenses	(9,733)	8,037		(1,696)
Finance expenses	(2,781)	2,699		(82)
Brand transition, restructure and transaction expenses	(6,933)	4,277		(2,656)
Impairment expense	(5,624)	2,823		(2,801)
Other foreign currency gain/(loss)	1,351	(1,201)		150
Fair value loss on convertible notes derivative and warrants	(533)	533		-
Gain on disposal of intangible Assets	-	-		-
Loss before income tax	**(34,746)**	**27,030**		**(7,716)**
Income tax expense	877	(401)		476
Total loss for the period	**(33,869)**	**26,629**		**(7,240)**
Weighted average number of shares outstanding				243,790
				US$
Basic and Diluted net loss per share			$	(29.698)

See the accompanying notes to the historical unaudited pro forma condensed consolidated financial statements.

The above historical unaudited condensed consolidated statement of profit or loss should be read in conjunction with NBG's Annual Report on Form 20-F for the fiscal year ended January 31, 2021, filed by NBG with the SEC on May 18, 2021.

On December 20, 2019 the company executed a 1-100 reverse share split reducing the number of shares. The reverse split is reflected in the number of shares for the years ended January 31, 2020 and January 31, 2019.

Notes to the historical unaudited pro forma condensed consolidated financial information

NOTE 1 - BASIS OF PRO FORMA PRESENTATION

The historical unaudited pro forma financial statements apply accounting under International Financial Reporting Standards (IFRS).

NOTE 2 - ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The historical unaudited pro forma condensed consolidated statements of profit or loss includes adjustments for the elimination of discontinued operations to arrive at an adjusted NBG balance, specifically to reflect the removal of the Bendon business.

NOTE 3 – CHANGE IN FUNCTIONAL AND PRESENTATION CURRENCY

On April 30, 2021, following the divestment of Bendon, the functional currency of the parent entity was changed from Australian dollars to U.S. dollars. In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates," the change in functional currency is accounted for prospectively from the date of change; in other words, NBG translated all items into the new functional currency using the exchange rate as at the date of the change except for equity. The resulting translated amounts for non-monetary items have been treated as their historical cost.

Consequently, the presentation currency of NBG was also changed from New Zealand dollars to U.S. dollars to align with the functional currency of NBG.

Since change in the presentation currency represents a change in accounting policy as per IAS 8, the change is accounted for retrospectively. Therefore IAS 21 principles are applied, the historical pro forma condensed consolidated statements of profit or loss is translated from the old reporting currency into the new reporting currency using the average exchange rate for the relevant period, while the balance sheet is translated using the applicable period end exchange rate. Equity is translated on historical rates.

INDEX TO COMBINED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Cenntro Electric Group, Inc., Cenntro Automotive Corporation and Cenntro Automotive Group Limited

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of Cenntro Electric Group, Inc., Cenntro Automotive Corporation and Cenntro Automotive Group Limited (the "Group" or the "Company") as of December 31, 2020 and 2019, the related combined statements of operations and comprehensive loss, changes in equity and cash flows for each of the two years in the period ended December 31, 2020, 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 Group as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

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 and in accordance with auditing standards generally accepted in the United States of America. 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 Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP

We have served as the Company's auditor since 2021.
New York, New York
July 16, 2021, except for Note 1, Note 15 and Note 19, as to which the date is November 8, 2021.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
COMBINED BALANCE SHEETS
(Expressed in U.S. dollar, except for the number of shares)

	Note	December 31, 2020	December 31, 2019
ASSETS			
Current assets:			
Cash and cash equivalents		$ 4,549,034	$ 1,228,706
Accounts receivable, net	4	463,333	292,374
Inventories	5	4,207,990	6,588,723
Prepayment and other current assets, net	6	2,087,756	2,254,002
Receivable from disposal of land use rights and properties	8	7,724,138	—
Amounts due from related parties	18	1,101,144	848,981
Total current assets		20,133,395	11,212,786
Non-current assets:			
Equity method investments	7	—	327,371
Properties, plants and equipment, net	8	1,039,191	14,295,220
Land use rights, net	9	—	15,517,883
Intangible assets, net		45,430	111,231
Right-of-use assets, net	14	423,304	593,209
Other non-current assets	10	1,117,648	110,127
Total non-current assets		2,625,573	30,955,041
Total Assets		$ 22,758,968	$ 42,167,827
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities:			
Short-term loans	11	$ —	$ 15,383,952
Accounts and notes payable		3,722,686	7,186,239
Accrued expense and other current liabilities	12	5,743,323	2,784,746
Contractual liabilities		1,690,837	1,918,554
Operating lease liabilities, current	14	131,014	273,990
Amounts due to related parties	18	3,248,777	5,755,709
T**otal current liabilities**		14,536,637	33,303,190
Operating lease liabilities, non-current	14	356,143	456,590
Total Liabilities		$ 14,892,780	$ 33,759,780
Commitments and contingencies	17	—	—
EQUITY			
Common Stock			
Cenntro Electric Group, Inc., $0.01 par value; 1,500 shares authorized; one and nil share issued and one and nil outstanding at December 31, 2020 and December 31, 2019, respectively		—	—
Cenntro Automotive Corporation, $0.001 par value; 1,000,000 shares authorized; 1,000,000 and 1,000,000 share issued outstanding at December 31, 2020 and December 31, 2019, respectively		1,000	1,000
Ordinary Share			
Cenntro Automotive Group Limited, nil par value; 1,000 shares authorized; 1,000 and 1,000 shares issued outstanding at December 31, 2020 and December 31, 2019, respectively		—	—
Additional paid-in capital		103,112,793	99,748,576
Accumulated deficit		(93,314,128)	(88,148,236)
Accumulated other comprehensive loss		(1,904,839)	(3,203,865)
Total equity attributable to shareholders		7,894,826	8,397,475
Non-controlling interests		(28,638)	10,572
Total Equity		7,866,188	8,408,047
Total Liabilities and Equity		$22,758,968	$42,167,827

The accompanying notes are an integral part of these combined financial statements.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
COMBINED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in U.S. dollar, except for number of shares)

	Note	For the Years Ended December 31, 2020	2019
Net revenues	3(l)	$ 5,460,003	$ 3,575,887
Cost of goods sold		(4,889,850)	(3,699,741)
Gross profit/(loss)		**570,153**	**(123,854)**
OPERATING EXPENSES:			
Selling and marketing expenses		(783,763)	(964,471)
General and administrative expenses		(8,735,534)	(10,959,203)
Research and development expenses		(1,365,380)	(2,145,884)
Provision for doubtful accounts		(319,816)	(3,598,506)
Total operating expenses		(11,204,493)	(17,668,064)
Loss from operations		**(10,634,340)**	**(17,791,918)**
OTHER INCOME (EXPENSE):			
Interest expense, net		(1,411,558)	(1,058,795)
Loss from and impairment on equity method investments	7	(330,103)	(1,235,306)
Gain from disposal of land use rights and properties	8	7,005,446	—
Other income, net		173,624	580,549
Loss before income taxes		(5,196,931)	(19,505,470)
Income tax expense	13	—	—
Net loss		(5,196,931)	(19,505,470)
Less: net loss attributable to non-controlling interests		(31,039)	(39,455)
Net loss attributable to shareholders		$ (5,165,892)	$ (19,466,015)
OTHER COMPREHENSIVE LOSS			
Foreign currency translation adjustment		1,290,855	431,153
Total comprehensive loss		(3,906,076)	(19,074,317)
Total comprehensive loss attributable to non-controlling interests		(39,210)	(38,393)
Total comprehensive loss to shareholders		$ (3,866,866)	$ (19,035,924)

The accompanying notes are an integral part of these combined financial statements.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
COMBINED STATEMENTS OF CHANGES IN EQUITY
(Expressed in U.S. dollar, except for number of shares)

	Common Stock		Ordinary Shares		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Shareholder's	Non-controlling	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Equity	Interest	Equity
Balance as of January 1, 2019	1,000,000	$ 1,000	1,000	$ —	$ 94,655,067	$ (68,682,221)	$ (3,633,955)	$ 22,339,891	$ 48,964	$ 22,388,855
Contribution from principal shareholder	—	—	—	—	170,000	—	—	170,000	—	170,000
Share-based compensation	—	—	—	—	4,923,509	—	—	4,923,509	—	4,923,509
Net loss	—	—	—	—	—	(19,466,015)	—	(19,466,015)	(39,455)	(19,505,470)
Foreign currency translation adjustment	—	—	—	—	—	—	430,090	430,090	1,063	431,153
Balance as of December 31, 2019	1,000,000	$ 1,000	1,000	$ —	$ 99,748,576	$ (88,148,236)	$ (3,203,865)	$ 8,397,475	$ 10,572	$ 8,408,047
Share-based compensation	1	—	—	—	3,364,217	—	—	3,364,217	—	3,364,217
Net loss	—	—	—	—	—	(5,165,892)	—	(5,165,892)	(31,039)	(5,196,931)
Foreign currency translation adjustment	—	—	—	—	—	—	1,299,026	1,299,026	(8,171)	1,290,855
Balance as of December 31, 2020	1,000,001	$ 1,000	1,000	$ —	$ 103,112,793	$ (93,314,128)	$ (1,904,839)	$ 7,894,826	$ (28,638)	$ 7,866,188

The accompanying notes are an integral part of these combined financial statements.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
COMBINED STATEMENTS OF CASH FLOW
(Expressed in U.S. dollar, except for number of shares)

	For the Year Ended December 31,	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,196,931)	$ (19,505,470)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,840,980	2,071,269
Amortization of operating lease right-of-use asset	198,103	416,160
Impairment of properties, plant and equipment	58,760	—
Inventory write-downs	719,608	959,334
Provision for doubtful accounts	319,816	3,598,506
Impairment of equity method investments	—	444,911
Foreign currency exchange loss, net	74,851	29,857
Share-based compensation expense	3,364,217	4,923,509
Gain from disposal of land use rights and properties	(7,005,446)	—
(Gain) loss from disposal of plant and equipment	(1,817)	48,156
Gain on disposal of equity method investment	—	(794,624)
Equity pick up loss of the investment	330,103	790,395
Changes in operating assets and liabilities:		
Accounts receivable	(342,689)	2,415,642
Inventories	1,944,683	84,142
Prepayment and other assets	(659,277)	(237,864)
Amounts due from/to related parties	643,903	1,065,614
Accounts and notes payable	(3,726,929)	(3,368,185)
Accrued expense and other current liabilities	106,623	1,352,210
Contractual liabilities	(267,038)	1,313,792
Operating lease liabilities	(276,274)	(277,722)
Net cash used in operating activities	(7,874,754)	(4,670,368)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from transfer of equity method investment	—	86,855
Purchase of properties, plants and equipment	(77,012)	(56,273)
Purchase of intangible assets	—	(118,531)
Proceeds from disposal of land use rights and properties, plants and equipment	27,027,065	63,330
Loans provided to related parties	(2,827,645)	(5,270,406)
Repayment of loans from related parties	2,344,897	6,826,680
Net cash provided by investing activities	26,467,305	1,531,655
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contribution from principal shareholder	—	170,000
Loans proceed from related parties	3,462,725	4,475,727
Repayment of loans to related parties	(6,115,534)	(2,738,750)
Loans proceed from third parties	2,882,576	1,751,595
Repayment of loans to third parties	(227,066)	(665,881)
Proceeds from bank loans	10,862,968	15,503,451
Repayments to bank loans	(26,375,287)	(17,327,386)
Net cash (used in) provided by financing activities	(15,509,618)	1,168,756
Effect of exchange rate changes on cash	237,395	(24,613)
Net increase/(decrease) in cash, cash equivalents and restricted cash	3,320,328	(1,994,570)
Cash, cash equivalents at beginning of year	1,228,706	3,223,276
Cash, cash equivalents at end of year	$ 4,549,034	$ 1,228,706
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income tax paid	$ —	$ —
Interest paid	$ (829,168)	$ (814,777)
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Disposal funds of equity method investment deducted to capital injection to Zhejiang RAP	$ —	$ 849,722
Right of use asset obtained in exchange for new operating lease liabilities	$ —	$ 972,207

The accompanying notes are an integral part of these combined financial statements.

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES

Principal activities

Cenntro Automotive Group Limited ("CAG Cayman"), formerly known as Cenntro Motors Group Limited, was formed in Cayman Islands on August 22, 2014.

Cenntro Automotive Corporation ("CAC"), formerly known as Cenntro Motor Corporation, was incorporated in the state of Delaware on March 22, 2013. CAC became CAG Cayman's wholly owned company on May 26, 2016. CAC conducted business to design and develop electric utility vehicles.

Cenntro Automotive Group Limited ("CAG HK"), formerly known as Cenntro Automotive (Hong Kong) Limited, which shares the same name with CAG Cayman, was established by CAG Cayman on February 15, 2016 in Hong Kong. CAG HK conducts business through its subsidiaries in mainland China.

Cenntro Electric Group, Inc. ("CEG") was incorporated in the state of Delaware on March 9, 2020 as a holding company and a wholly owned subsidiary of CAG Cayman. CEG has no current operations.

All references to the "Company" refer to CEG, CAG HK and its consolidated subsidiaries and CAC, on a combined basis. Historically, the Company's business has been conducted through CAG HK and its subsidiaries and CAC.

The Company is a designer and manufacturer of electric light- and medium-duty commercial vehicles ("ECVs"). The Company both (i) designs, manufactures, assembles, homologates and sells ECVs to third parties for distribution and service to end-users and (ii) distributes manufactured vehicle kits, which are then assembled, homologated, sold and serviced by third parties in their respective markets.

(Expressed in U.S. dollar, except for number of shares)

As of December 31, 2020, the Company's subsidiaries are as follows:

Name	Date of Incorporation	Place of incorporation	Percentage of direct or indirect economic interest
Sinomachinery Equipment Limited ("Sinomachinery HK")	June 2, 2011	Hong Kong	100%
Zhejiang Sinomachinery Co., Limited ("Sinomachinery Zhejiang")	June 16, 2011	PRC	100%
Shengzhou Cenntro Machinery Co., Limited ("Cenntro Machinery")	July 12, 2012	PRC	100%
Zhejiang Agrimach Co., Limited	December 9, 2013	PRC	100%
Hangzhou Hengzhong Tech Co., Limited	December 16, 2014	PRC	100%
Hangzhou Cenntro Autotech Co., Limited ("Cenntro Hangzhou")	May 6, 2016	PRC	100%
Hangzhou Yiwei Tech Co., Limited	October 26, 2016	PRC	85%
Zhejiang Xbean Tech Co., Limited	December 28, 2016	PRC	90%
Hangzhou Ronda Tech Co., Limited	June 5, 2017	PRC	100%
Zhejiang Tooniu Tech Co., Limited	December 19, 2018	PRC	100%

NOTE 2 – LIQUIDITY

For the year ended December 31, 2020 and 2019, the Company incurred net losses of $5,196,931 and $19,505,470, respectively and had net cash used in operating activities of $7,874,754 and $4,670,368, respectively. The Company's operating results for future periods are subject to uncertainties and it is uncertain if the Company will be able to reduce or eliminate its net losses for the foreseeable future. If management is not able to increase revenue and/or manage operating expenses in line with revenue forecasts, the Company may not be able to achieve profitability.

For the next 12 months from the issuance date of the combined financial statements, the Company plans to continue implementing various measures to boost revenue and controlling the cost and expenses, implementing comprehensive budget control and operation assessment, implementing enhanced vendor review and selection processes as well as enhancing internal controls on payable management, and creating synergy of the Company's resources. The Company assesses that it could meet its obligations for the next 12 months from the issuance date of the combined financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The combined financial statements include the combined financial statements of CEG, and CAC and the consolidated financial statements of CAG HK and its subsidiaries from the dates they were acquired or incorporated. All intercompany balances and transactions have been eliminated in combination and consolidation.

(b) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company continually evaluates these estimates and assumptions based on the most recently available information, historical experience and various other assumptions that the Company believes to be reasonable under the circumstances. Significant accounting estimates reflected in the Company's combined financial statements include but are not limited to estimates and judgments applied in determination of provision for doubtful accounts, lower of cost and net realizable value of inventories, impairment losses for long-lived assets and investments, valuation allowance for deferred tax assets, fair value measurement for share-based compensation expense. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

(c) Fair value of financial instruments

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. These tiers include:

Level 1—defined as observable inputs such as quoted prices in active markets;

Level 2—defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3—defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Company's financial instruments primarily consist of cash and cash equivalents, accounts receivable, deposit, prepayments and other current assets, amount due from related parties, accounts payable, accrued expenses and other current liabilities, short-term bank loans, and notes payable.

The carrying value of cash and cash equivalents, accounts receivable, prepayment and other current assets, accounts payable, accrued expenses and other current liabilities, and notes payable approximate fair value because of the short-term nature of these items. The estimated fair values of short-term loans were not materially different from their carrying value as presented due to the brief maturities and because the interest rates on these borrowings approximate those that would have been available for loans of similar remaining maturities and risk profiles. As the carrying amounts are reasonable estimates of fair value, these financial instruments are classified within Level 1 of the fair value hierarchy. The Company identified notes payable as Level 2 instruments due to the fact that the inputs to valuation are primarily based upon readily observable pricing information. The balance of notes payable, which were measured and disclosed at fair value, was nil and $199,661 as of December 31, 2020 and 2019, respectively. No financial instruments are classified within Level 3 of the fair value hierarchy.

(d) Cash and cash equivalents

The Company considers highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

As of December 31, 2020 and 2019, the Company has no restricted cash.

(e) Accounts receivable and provision for doubtful accounts

Accounts receivable are recognized and carried at net realizable value. Provision for doubtful accounts is recorded for periods in which the Company determines a loss is probable, based on its assessment of specific factors, such as troubled collections, historical experience, accounts aging, ongoing business relations and other factors. Account balances are charged off against the provision after all means of collection have been exhausted and the potential for recovery is considered remote.

(f) Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of raw materials is determined on the basis of weighted average. The cost of finished goods is determined on the basis of weighted average 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 cost of goods sold in the combined statements of operations and comprehensive loss.

(g) Properties, plants and equipment, net

Properties, plants and equipment are carried at cost less accumulated depreciation. Depreciation is calculated over the asset's estimated useful life, using the straight-line method. Leasehold improvements are amortized over the life of the asset or the term of the lease, whichever is shorter. Estimated useful lives are as follows:

Buildings	20 years
Machinery and equipment	5-10 years
Office equipment	5 years
Motor vehicles	3-5 years
Leasehold improvement	3-10 years
Others	3 years

The Company reassesses the reasonableness of the estimates of useful lives and residual values of long-lived assets when events or changes in circumstances indicate that the useful lives and residual values of a major asset or a major category of assets may not be reasonable. Factors that the Company considers in deciding when to perform an analysis of useful lives and residual values of long-lived assets include, but are not limited to, significant variance of a business or product line in relation to expectations, significant deviation from industry or economic trends, and significant changes or planned changes in the use of the assets. The analysis will be performed at the asset or asset category with the reference to the assets' conditions, current technologies, market, and future plan of usage and the useful lives of major competitors.

The costs and related accumulated depreciation of assets sold or otherwise retired are eliminated from the Company's accounts and any gain or loss is included in the combined statements of operations and comprehensive loss. The cost of maintenance and repair is charged to expenses as incurred, whereas significant renewals and betterments are capitalized.

The Company constructs certain of its properties including recodifications and improvement of its office buildings and plants. Depreciation is recorded at the time assets are ready for the intended use.

(h) Land use rights, net

Land in China is owned by the government and land ownership rights cannot be sold to an individual or to a private company. However, the Chinese government grants the user a "land use right" to use the land. The land use rights granted to the Company are amortized using the straight-line method over a term of 42 years.

(i) 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 life**
Software	3 years

(j) Impairment of long-lived assets

The Company evaluates the recoverability of long-lived assets with determinable useful lives whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. The Company measure the carrying amount of long-lived asset against the estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. Impairment exists when the sum of the expected future net cash flows is less than the carrying value of the asset being evaluated. Impairment loss is calculated as the amount by which the carrying value of the asset exceeds its fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available. The adjusted carrying amount of the assets become new cost basis and are depreciated over the assets' remaining useful lives. Long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The impairment test is performed at the asset group level.

(k) Equity method investments

Investee companies over which the Company has ability to exercise significant influence but does not have a controlling interest through investment in common shares or in-substance common shares, are accounted for using the equity method. Significant influence is generally considered to exist when the Company has an ownership interest in the voting stock of the investee between 20% and 50%, and other factors, such as representation on the investee's board of directors, voting rights and the impact of commercial arrangements, are also considered in determining whether the equity method of accounting is appropriate.

Under the equity method, the Company initially records its investment at cost and subsequently recognizes the Company's proportionate share of each equity investee's net income or loss after the date of investment into the combined statements of operations and comprehensive loss and accordingly adjusts the carrying amount of the investment. When the Company's share of losses in the equity investee equals or exceeds its interest in the equity investee, the Company does not recognize further losses, unless the Company has incurred obligations or made payments or guarantees on behalf of the equity investee.

The Company reviews its equity method investments for impairment whenever an event or circumstance indicates that other-than-temporary impairment ("OTTI") has occurred. The Company considers available quantitative and qualitative evidence in evaluating potential impairment of its equity method investments. An impairment charge is recorded when the carrying amount of the investment exceeds its fair value and this condition is determined to be other-than-temporary. The adjusted carrying amount of the assets become new cost basis.

(l) Revenue recognition

The Company adopted ASC Topic 606 Revenue from Contracts with Customers with a date of the initial application of January 1, 2018 using the modified retrospective method. The impact of the adoption of ASC Topic 606 on the Company's combined financial statements is not material.

The Company recognizes revenue when goods or services are transferred to customers in an amount that reflects the consideration which it expects to receive in exchange for those goods. In determining when and how revenue is recognized from contracts with customers, the Company performs the following five-step analysis: (i) identification of contract with the customer; (ii) determination of performance obligations; (iii) measurement of the transaction price; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company generates revenue primarily through sales of light-duty ECVs, sales of ECV parts, and sales of off-road electric vehicles. Revenue is recognized at a point in time once the Company has determined that the customer has obtained control over the product. Control is typically deemed to have been transferred to the customer when the performance obligation is fulfilled, usually at the time of delivery, at the net sales price (transaction price). Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. Shipping and handling costs for product shipments occur prior to the customer obtaining control of the goods are accounted for as fulfilment costs rather than separate performance obligations and recorded as sales and marketing expenses.

(Expressed in U.S. dollar, except for number of shares)

The following table disaggregates the Company's revenue by product line for the years ended December 31, 2020 and 2019:

	For the Years Ended December 31,	
	2020	**2019**
Vehicles sales	$ 5,037,454	$ 3,224,794
Spare-parts sales	163,142	257,303
Other service income	259,407	93,790
Net revenues	$ 5,460,003	$ 3,575,887

The Company's revenues are primarily derived from Europe, America and Asia. The following table sets forth disaggregation of revenue:

	For the Years Ended December 31,	
	2020 Sales Revenue	**2019 Sales Revenue**
Primary geographical markets		
Europe	$ 4,008,763	$ 2,859,779
America	734,206	383,718
Asia	717,034	332,390
Total	$ 5,460,003	$ 3,575,887

Contract Balances

Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable represent revenue recognized for the amounts invoiced and/or prior to invoicing when the Company has satisfied its performance obligation and has unconditional right to the payment. Under Topic 606, the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer is recognized as a contract asset. The Company has no contract assets as of December 31, 2020 and 2019.

Contractual liabilities primarily represent the Company's obligation to transfer additional goods or services to a customer for which the Company has received consideration. The consideration received remains a contractual liability until goods or services have been provided to the customer.

The following table provides information about receivables and contractual liabilities from contracts with customers:

	December 31, 2020	**December 31, 2019**
Trade receivable (included in accounts receivable, net)	$ 463,333	$ 292,374
Contractual liabilities	$ 1,690,837	$ 1,918,554

(m) Cost of goods sold

Cost of goods sold mainly consists of production related costs including costs of raw materials, consumables, direct labor, overhead costs, depreciation of properties, plants and equipment, manufacturing waste treatment processing fees and inventory write-downs.

(n) Income taxes

The Company accounts for income tax using an asset and liability approach, which allows for the recognition of deferred tax benefits in future years. Under the asset and liability approach, deferred income taxes are recognized for differences between the financial reporting and tax bases of assets and liabilities at enacted tax rates in effect for the years in which the differences are expected to reverse. The accounting for deferred tax calculation represents the Company management's best estimate of the most likely future tax consequences of events that have been recognized in our financial statements or tax returns and related future anticipation. A valuation allowance is recorded to reduce the deferred tax assets to an amount that is more likely than not to be realized after considering all available evidence, both positive and negative.

Current income taxes are provided for in accordance with the laws of the relevant taxing authorities. As part of the process of preparing financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. The Company accounts for income taxes using the asset and liability method. Under this method, deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Net operating losses are carried forward and credited by applying enacted statutory tax rates applicable to future years when the reported amounts of the asset or liability are expected to be recovered or settled, respectively. Deferred tax assets are reduced by a valuation allowance when, based upon the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The components of the deferred tax assets and liabilities are individually classified as non-current. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

As required by applicable tax law, interest on non-payment of income taxes and penalties associated with tax positions when a tax position does not meet the minimum statutory threshold to avoid payment of penalties recognized, if any, will be classified as a component of the provisions for income taxes. The tax returns of the Company's Hong Kong and PRC subsidiaries are subject to examination by the relevant local tax authorities. According to the Departmental Interpretation and Practice Notes No.11 (Revised) ("DIPN11") of the Hong Kong Inland Revenue Ordinance (the "HK tax laws"), an investigation normally covers the six years of the assessment prior to the year of the assessment in which the investigation commences. In the case of fraud and willful evasion, the investigation is extended to cover ten years of assessment. According to the PRC Tax Administration and Collection Law, the statute of limitations is three years if the underpayment of taxes is due to computational errors made by the taxpayer or the withholding agent. The statute of limitations is extended to five years under special circumstances, where the underpayment of taxes is more than RMB100,000. In the case of transfer pricing issues, the statute of limitation is ten years. There is no statute of limitation in the case of tax evasion. For the years ended December 31, 2020 and 2019, the Company did not have any material interest or penalties associated with tax positions. The Company did not have any significant unrecognized uncertain tax positions as of December 31, 2020 or 2019. The Company does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months.

(o) Foreign currency translation

The combined financial statements are presented in United States dollars ("USD" or "$"). The functional currency of certain of the Company's PRC subsidiaries is the Renminbi ("RMB").

Assets and liabilities are translated at the exchange rates as of balance sheet date. Income and expenditures are translated at the average exchange rate of the reporting period. Capital accounts of the combined financial statements are translated into USD from RMB at their historical exchange rates when the capital transactions occurred. The rates are obtained from H.10 statistical release of the U.S. Federal Reserve Board.

	Years Ended December 31,	
	2020	**2019**
Period end RMB: USD exchange rate	6.5250	6.9618
Average RMB: USD exchange rate	6.9042	6.9081

(p) Comprehensive loss

Comprehensive loss includes all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, all items that are required to be recognized under current accounting standards as components of comprehensive loss are required to be reported in a financial statement that is presented with the same prominence as other financial statements. For the years presented, comprehensive loss includes net loss and the foreign currency translation changes.

(q) Segments

In accordance with ASC 280-10, Segment Reporting, the Company's chief operating decision maker ("CODM"), identified as the Company's Chief Executive Officer, relies upon the combined results of operations as a whole when making decisions about allocating resources and assessing the performance of the Company. As a result of the assessment made by CODM, the Company has only one reportable segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. As the Company's long-lived assets are substantially located in the PRC, no geographical segments are presented.

(r) Share-based compensation expenses

The Company's share-based compensation expenses are recorded in accordance with ASC 718 and ASC 710.

Share-based awards to employees are measure based on the grant date fair value of the equity instrument issued and recognized as compensation expense net of a forfeiture rate on a straight-line basis, over the requisite service period, with a corresponding impact reflected in additional paid-in capital.

The estimate of forfeiture rate will be adjusted over the requisite serve period to the extent that actual forfeiture rate differs, or is expected to differ, from such estimates. Changes in estimated forfeiture rate will be recognized through a cumulative catch-up adjustment in the period of change.

(s) Operating lease

The Company adopted the new lease accounting standard, ASC Topic 842, Leases ("ASC 842") as of January 1, 2019, using the non-comparative transition option pursuant to ASU 2018-11. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things (i) allowed the Company to carry forward the historical lease classification; (ii) did not require the Company to reassess whether any expired or existing contracts are or contain leases; (iii) did not require the Company to reassess initial direct costs for any existing leases. Therefore, the Company did not consider its existing land use right that was not previously accounted for as leases under Topic 840. For all operating leases except for short-term leases, the Company recognized operating right-of-use assets and operating lease liabilities. Leases with an initial term of 12 months or less were short-term lease and not recognized as right-of-use assets and lease liabilities on the combined balance sheets.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company'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 Company's leases is not readily determinable, the Company 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 of the Company's lease agreements contained renewal options; however, the Company did not recognize right-of-use assets or lease liabilities for renewal periods unless it was determined that the Company was reasonably certain of renewing the lease at inception or when a triggering event occurred. The Company's lease agreements did not contain any material residual value guarantees or material restrictive covenants.

(t) Non-controlling Interest

A non-controlling interest in a subsidiary of CAG HK represents the portion of the equity (net assets) in the subsidiary not directly or indirectly attributable to CAG HK. Non-controlling interests are presented as a separate component of equity on the Combined Balance Sheets and operations and other comprehensive loss are attributed to controlling and non-controlling interests. As of December 31, 2020 and 2019, the Company's non-controlling interests represented 15% equity interest of Hangzhou Yiwei Tech Co., Limited.

(Expressed in U.S. dollar, except for number of shares)

Recently issued accounting standards pronouncements

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, "Financial Instruments - Credit Losses (Topic 326)" ("ASU 2016-13"). ASU 2016-13 revises the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. Originally, ASU 2016-13 was effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. In November 2019, FASB issued ASU 2019-10, "Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)." This ASU defers the effective date of ASU 2016-13 for public companies that are considered smaller reporting companies as defined by the SEC to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is planning to adopt this standard beginning on January 1, 2023. The Company is currently evaluating the potential effects of adopting the provisions of ASU No. 2016-13 on its combined financial statements, particularly its recognition of allowances for accounts receivable.

In August 2018, the FASB issued ASU 2018-13 Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement, which eliminates, adds, and modifies certain disclosure requirements for fair value measurements under ASC 820. This ASU is to be applied on a prospective basis for certain modified or new disclosure requirements, and all other amendments in the standard are to be applied on a retrospective basis. The new standard is effective for interim and annual periods beginning after December 15, 2019, with early adoption permitted. The Company has adopted this ASU in fiscal year 2020 and determined there is no material impact on its combined financial statements.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes" (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"). ASU 2019-12 will simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For public business entities, the amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company will adopt the new standard effective January 1, 2022 and does not expect the adoption of this guidance to have a material impact on the combined financial statements.

In January 2020, the FASB issued ASU 2020-01, Investments—Equity Securities, Investments—Equity Method and Joint Ventures, and Derivatives and Hedging, which clarifies the interaction of the accounting for equity securities under Topic 321, the accounting for equity method investments in Topic 323, and the accounting for certain forward contracts and purchased options in Topic 815. This guidance will be effective in the first quarter of 2021 on a prospective basis, with early adoption permitted. The Company will adopt the new standard effective January 1, 2021 and does not expect the adoption to have a material impact on the combined financial statements.

Other accounting pronouncements that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's combined financial statements upon adoption.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net is summarized as follows:

	December 31, 2020	December 31, 2019
Accounts receivable	$ 1,584,448	$ 1,166,729
Less: provision for doubtful accounts	(1,121,115)	(874,355)
Accounts receivable, net	$ 463,333	$ 292,374

(Expressed in U.S. dollar, except for number of shares)

The movements of the provision for doubtful accounts are as follows:

	For the Years Ended December 31,	
	2020	2019
Balance at the beginning of the year	$ 874,355	$ —
Additions	92,009	946,590
Write-off	—	(51,418)
Foreign exchange	154,751	(20,817)
Balance at the end of the year	$ 1,121,115	$ 874,355

NOTE 5 – INVENTORIES

Inventories are summarized as follows:

	December 31, 2020	December 31, 2019
Raw material	$ 1,713,761	$ 3,115,792
Work-in-progress	931,249	1,395,105
Finished goods	1,562,980	2,077,826
Inventories	$ 4,207,990	$ 6,588,723

For the years ended December 31, 2020 and 2019, the impairment loss recognized by the Company for slow-moving inventory with cost lower than net realizable value was $719,608 and $959,334, respectively.

NOTE 6 – PREPAYMENT AND OTHER CURRENT ASSETS, NET

Prepayment and other current assets, net as of December 31, 2019 and 2020 consisted of the following:

	December 31, 2020	December 31, 2019
Receivable from third parties	$ 805,382	$ 740,486
Deductible input value added tax	903,715	1,233,275
Advance to suppliers	814,322	662,868
Others	178,187	192,707
Total	2,701,606	2,829,336
Less: provision for receivable from third parties	(613,850)	(575,334)
Prepayment and other current assets, net	$ 2,087,756	$ 2,254,002

The Company recorded provision for receivable from third parties of nil and $268,458 for the years ended December 31, 2020 and 2019, respectively.

(Expressed in U.S. dollar, except for number of shares)

NOTE 7 – EQUITY METHOD INVESTMENTS

	December 31, 2020	December 31, 2019
Equity method investment		
Zhejiang RAP Smartcar Corporation ("Zhejiang RAP")[(a)]	$ —	$ 327,371
Jiangsu Rongyuan Auto Co., Ltd. ("Jiangsu Rongyuan")[(b)]	—	—
Total	$ —	$ 327,371

(a) In March 2018, the Company invested in Zhejiang RAP with the initial investment cost of $1,927,133. As of January 1, 2019, the Company's investment accounted for 33.4% of its equity interest. The Company accounts for the investment under the equity method because the Company has the ability to exercise significant influence but does not have control over Zhejiang RAP. For the years ended December 31, 2020 and 2019, the Company recognized investment loss of $330,103 and $650,253, respectively. Investment loss from equity method reduced the cost of investment to zero as of December 31, 2020.

On March 18, 2019, the Company disposed 6% of equity interest in Zhejiang RAP to a third party with the consideration of $955,400, with disposal gain of $794,624 recognized for the year ended December 31, 2019. After the disposal, the Company held 27.4% of equity interest in Zhejiang RAP.

(b) On June 28, 2017, the Company invested RMB4,500,000 (approximately $0.65 million) in Jiangsu Rongyuan to acquire 15% of its equity interest. The Company accounts for the investment under the equity method because the Company's representation on the board exceeding 33% and therefore the Company has the ability to exercise significant influence but does not have control over Jiangsu Rongyuan. For the year ended December 31, 2019, the Company recognized investment loss of $140,142 based on its proportionate share of equity interest. Since the business conditions of this investee deteriorated, the Company recognized impairment of $444,911 for the year ended December 31, 2019, reducing the cost to zero since then.

NOTE 8 – PROPERTIES, PLANTS AND EQUIPMENT, NET

Properties, plants and equipment, net as of December 31, 2020 and 2019 consisted of the following:

	December 31, 2020	December 31, 2019
At cost:		
Buildings	$ —	$ 13,024,967
Machinery and equipment	1,972,035	1,928,984
Leasehold improvement	652,520	1,759,844
Office equipment	950,106	1,438,758
Construction in progress	—	1,171,456
Motor vehicles	315,550	312,798
Total	**3,890,211**	**19,636,807**
Less: accumulated depreciation	(2,851,020)	(5,341,587)
Properties, plants and equipment, net	**$ 1,039,191**	**$ 14,295,220**

On November 9, 2020, the Company disposed its land use rights and buildings to a third party for a consideration of $34,326,979, with disposal gain of $7,005,446 recognized.

As of December 31, 2020 and 2019, the carrying value of properties, plants and equipment pledged as collateral for the Company's bank loans was nil and $5,108,920, respectively

Depreciation expenses for the years ended December 31, 2020 and 2019 were $1,350,922 and $1,544,900, respectively.

Impairment loss for the years ended December 31, 2020 and 2019 were $58,760 and nil, respectively.

(Expressed in U.S. dollar, except for number of shares)

NOTE 9 – LAND USE RIGHTS, NET

The Company's land use rights, net consist of the following:

	December 31, 2020	December 31, 2019
Cost of land use rights	$ —	$ 19,122,284
Less: accumulated amortization	—	(3,604,401)
Land use rights, net	$ —	$ 15,517,883

Amortization expenses for the years ended December 31, 2020 and 2019 were $420,834 and $458,829, respectively.

As of December 31, 2019, all the land use rights were pledged as collateral for the Company's bank loans (see Note 11) until such land use rights were disposed on November 9, 2020 (see Note 8).

NOTE 10 – OTHER NON-CURRENT ASSETS, NET

	December 31, 2020	December 31, 2019
Deposit	$ 113,719	$ 110,127
Deferred offering cost	1,003,929	—
Receivable from a third party[(a)]	2,298,851	2,154,615
Total	3,416,499	2,264,742
Less: allowance for receivable from a third party[(a)]	(2,298,851)	(2,154,615)
Other non-current assets, net	$ 1,117,648	$ 110,127

(a) In 2018, the Company signed an agreement with Anhua Automotive Co. Ltd., ("Anhua") and paid an initial non-refundable deposit to participate in Anhua's bankruptcy recombination process to develop further production capacity in China. However, due to the irrecoverable deterioration of Anhua's business and the Company's focus on Europe and America markets, further participation in the recombination was ceased. Therefore, the Company recorded full provision of the deposit for the year ended December 31, 2019.

NOTE 11 – SHORT-TERM LOANS

Short-term loans are summarized as follows:

	December 31, 2020	December 31, 2019
China Construction Bank Shengzhou Branch		
Interest rate 4.785% per annum, due on January 16, 2020, secured by the land use rights	$ —	$ 2,556,810
Interest rate 4.785% per annum, due on January 17, 2020, secured by the land use rights	—	3,332,471
Agricultural Bank of China Shengzhou Economic Development Zone Branch		
Interest rate 4.7415% per annum, due on March 07, 2020, secured by the land use rights and buildings	—	2,154,615
Interest rate 4.611% per annum, due on March 05, 2020, secured by the land use rights	—	2,801,000
Interest rate 4.742% per annum, due on November 18, 2020, secured by the land use rights and buildings	—	2,154,615
Interest rate 4.742% per annum, due on December 03, 2020, secured by the land use rights and buildings	—	2,384,441
Total	$ —	$ 15,383,952

(Expressed in U.S. dollar, except for number of shares)

As of December 31, 2019, the carrying value of the land use rights and the properties, plants and equipment pledged as collateral for the Company's bank loans were $15,517,883 and $5,108,920, respectively. Such land use rights were disposed on November 9, 2020 (see Note 8).

The weighted average interest rates of short-term loans outstanding were nil and 4.735% per annum as of December 31, 2020 and 2019, respectively. The interest expense of the short-term loans for the years ended December 31, 2020 and 2019 were $801,196 and $857,102, respectively. On November 17, 2020, the Company paid off in full all outstanding bank loans with China Construction Bank and Agricultural Bank of China.

NOTE 12 – ACCRUED EXPENSE AND OTHER CURRENT LIABILITIES

Accrued expense and other current liabilities are summarized as follow:

	December 31, 2020	December 31, 2019
Loans from third parties	$ 4,073,856	$ 1,184,717
Employee payroll and welfare payables	973,637	674,420
Other taxes payable	6,576	662,028
Accrued professional fees	370,555	—
Others	318,699	263,581
Total	$ 5,743,323	$ 2,784,746

Loans from third parties represented a combined aggregate interest-free loans of $65,900 and $57,456 as of December 31, 2020 and 2019, respectively, and combined aggregate interest-bearing loans of $4,007,956 and $1,127,261 as of December 31, 2020 and 2019, respectively, with the weighted average annual interest rate of 13.59% and 11.42%, respectively. The majority of the loans from third parties will mature between July 2021 and December 2021, and are negotiable upon extension.

The Company is not subject to any material financial or restrictive covenants under the loan agreements with third parties. Each of these loans are unsecured obligations of the Company and rank equally with each other, and any future unsecured and unsubordinated indebtedness.

NOTE 13 – INCOME TAXES

United States

The holding company CEG and U.S. subsidiary CAC are subject to a federal tax rate of 21%.

Hong Kong

In accordance with the relevant tax laws and regulations of Hong Kong, a company registered in Hong Kong is subject to income taxes within Hong Kong at the applicable tax rate on taxable income. Effective from April 1, 2018, a two-tier corporate income tax system was officially implemented in Hong Kong, which is 8.25% for the first HK$2.0 million profits, and 16.5% for the subsequent profits. Under the HK tax laws, it is exempted from the Hong Kong income tax on its foreign-derived income. CAG HK and Sinomachinery HK, are registered in Hong Kong as intermediate holding companies, subject to an income tax rate of 16.5% for taxable income earned in Hong Kong. Payments of dividends from Hong Kong subsidiaries are not subject to any Hong Kong withholding tax.

PRC

Pursuant to the tax laws and regulations of the PRC, the Company's applicable enterprise income tax ("EIT") rate is 25%.

(Expressed in U.S. dollar, except for number of shares)

(1) Income taxes

Income tax expenses for the years ended December 31, 2020 and 2019 are nil.

The components of (profit) loss before income taxes are summarized as follows:

	For the Years Ended December 31,	
	2020	**2019**
(Profit) loss before income taxes consists of:		
PRC	$ (108,221)	$ 13,779,840
Non-PRC	5,305,152	5,725,630
Total	$ 5,196,931	$ 19,505,470

The actual income tax expense reported in the combined statements of operations and comprehensive loss for years ended December 31, 2020 and 2019 differs from the amount computed by applying the PRC statutory income tax rate to income before income taxes due to the following:

	For the Years Ended December 31,	
	2020	**2019**
Loss before provision for income tax	(5,196,931)	(19,505,470)
PRC statutory income tax rate	25%	25%
Income tax expense at the PRC statutory rate	(1,299,233)	(4,876,368)
Effect of income tax rate difference in other jurisdictions	91,397	33,047
Effect of non-deductible expenses	95,659	36,694
Effect of research and development deduction	(147,155)	(232,963)
Effect of valuation allowance	1,259,332	5,039,590
Total income tax expense	—	—
Effective income tax rate	0%	0%

(2) Deferred taxes assets, net

The tax effects of temporary differences that give rise to the deferred income tax assets balances as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	**December 31, 2019**
Deferred income tax assets:		
Employee share option plan expense	$ 4,981,854	$ 4,140,800
Impairment loss and doubtful accounts allowance	1,993,546	1,595,345
Tax loss carry forwards	10,991,490	10,127,602
Total deferred income tax assets	17,966,890	15,863,747
Valuation allowance	(17,966,890)	(15,863,747)
Deferred income tax assets, net	$ —	$ —

(Expressed in U.S. dollar, except for number of shares)

The movements of the valuation allowance are as follows:

	For the Years Ended December 31,	
	2020	2019
Balance at the beginning of the year	$ 15,863,747	$ 10,914,638
Additions during the year	1,259,332	5,039,590
Effect of differing tax rates in different jurisdictions	91,397	33,047
Exchange rate effect	752,414	(123,528)
Balance at the end of the year	$ 17,966,890	$ 15,863,747

The valuation allowance as of December 31, 2019 and 2020 were provided for the deferred income tax assets of certain subsidiaries, which were at cumulative loss positions. In assessing the realization of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or utilizable. For entities incorporated in Hong Kong and U.S., net loss can be carried forward indefinitely; for entity incorporated in the PRC, net loss can be carried forward for five years. Management considers projected future taxable income and tax planning strategies in making this assessment. As of December 31, 2020, the Company had net operating losses of $41,473,068 which will be available to offset future taxable income. Net operating loss carry forward of the Company of $1,636,494, $8,083,474, $14,521,289, $9,361,018, and $3,670,006 will expire, if unused, by 2021, 2022, 2023, 2024 and 2025, respectively. Net operating loss of $4,200,787 will be carried forward indefinitely.

Uncertain tax positions

The Company 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, 2020 and 2019, the Company did not have any significant unrecognized uncertain tax positions or any unrecognized liabilities, interest or penalties associated with unrecognized tax benefit. The Company does not believe that its uncertain tax benefits position will materially change over the next twelve months.

NOTE 14 – LEASES

The Company leases office spaces under non-cancellable operating leases. The Company 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. Lease expense for lease payment is recognized on a straight-line basis over the lease term. Leases with initial term of 12 months or less are not recorded on the balance sheets.

The Company 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.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

A summary of lease cost recognized in the Company's combined statements of operations and comprehensive loss is as follows:

	For the Years Ended December 31,	
	2020	2019
Operating leases cost excluding short-term rental expense	$ 232,758	$ 446,260
Short-term lease cost	16,717	30,063
Total	$ 249,475	$ 476,323

(Expressed in U.S. dollar, except for number of shares)

A summary of supplemental information related to operating leases is as follows:

	December 31, 2020	December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities	$ 310,931	$ 246,668
Weighted average remaining lease term	2.08 years	3.02 years
Weighted average discount rate	4.75%	4.75%

The Company'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 Company 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. The weighted-average discount rate was calculated using the discount rate for the lease that was used to calculate the lease liability balance for each lease and the remaining balance of the lease payments for each lease as of December 31, 2020.

The weighted-average remaining lease terms were calculated using the remaining lease term and the lease liability balance for each lease as of December 31, 2019.

The following table summarizes the maturity of lease liabilities under operating leases as of December 31, 2020:

For the Year Ending December 31,	Operating Leases
2021	$ 306,050
2022	217,564
Total lease payments	523,614
Less: imputed interest	36,457
Total	487,157
Less: current portion	131,014
Non-current portion	$ 356,143

NOTE 15 – Share-based Compensation

Share based compensation expenses relate to the share options granted by CAG Cayman to the employees and directors of the Company. For the years ended December 31, 2020 and 2019, total share-based compensation expenses allocated from CAG Cayman were $3,364,217 and $4,923,509, respectively.

Share options granted by CAG Cayman to employees of the Company

On February 10, 2016, CAG Cayman adopted the 2016 Share Incentive Plan (the "2016 Plan", which allows CAG Cayman to grant options to the employees and directors of the Company to purchase up to 14,139,360 ordinary shares of CAG Cayman subject to vesting requirements. On April 17, 2018, CAG Cayman expanded the share reserve under the 2016 Plan, increasing the number of ordinary shares available for issuance under the 2016 Plan by an additional 10,484,797 ordinary shares to total 24,624,157 ordinary shares. Generally, the options become exercisable during the term of the optionee's service in five equal annual instalments of 20% each. The expiration dates of the options are between six and eight years from the respective grant dates as stated in the option grant letters.

On March 7 and May 31, 2016, CAG Cayman granted 12,169,840 options and 650,000 options to the employees and directors of the Company to purchase CAG Cayman's ordinary shares at exercise prices ranging from $0.2000 to $1.2092 per share. The options have a contractual term ranging from six years to eight years.

On August 1 and December 31, 2017, CAG Cayman granted 6,300,000 options and 2,580,000 options to the employees and directors of the Company to purchase CAG Cayman's ordinary shares at exercise prices ranging from $1.6500 to $1.8792 per share. The options have a contractual term of eight years.

(Expressed in U.S. dollar, except for number of shares)

On December 31, 2019, CAG Cayman granted 580,000 options to certain management of the Company under the 2016 Plan to purchase CAG Cayman's ordinary shares at exercise prices of $2.2126 per share. The options have a contractual term of eight years.

A summary of share options activity for the years ended December 31, 2020 and 2019 is as follows:

	Number of Share Options	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Years	Aggregate Intrinsic Value US$
Outstanding at December 31, 2018	**21,036,130**	**1.03**	**5.60**	**27,246,206**
Granted	580,000	2.21		
Exercised	—	—		
Forfeited	—	—		
Expired	—	—		
Outstanding at December 31, 2019	21,616,130	1.07	4.69	28,639,946
Granted	—	—		
Exercised	—	—		
Forfeited	(2,640,000)	1.66		
Expired	—	—		
Outstanding at December 31, 2020	**18,976,130**	**0.98**	**3.56**	**24,410,306**
Vested and expected to vest as of December 31, 2020	**18,976,130**	**0.98**	**3.56**	**24,410,306**
Exercisable as of December 31, 2020	**15,655,130**	**0.97**	**3.41**	**19,653,945**

The total intrinsic value of options exercised during the years ended December 31, 2020 and 2019 were nil.

The Company calculated the fair value of the share options on the grant date using the Black-Scholes option-pricing valuation model, based on the equity value of CAG Cayman. The assumptions used in the valuation model are summarized in the following table.

	Year Ended December 31,	
	2020	2019
	US$	US$
Expected volatility	82.33%-93.48%	82.33%-93.48%
Expected dividends yield	0%	0%
Risk-free interest rate per annum	1.84%-2.40%	1.84%-2.40%
The fair value of underlying ordinary shares (per share)	US$1.21-US$2.92	US$1.21-US$2.92

The expected volatility is calculated based on the annualized standard deviation of the daily return embedded in historical share prices of comparable companies. The risk-free interest rate is estimated based on the yield to maturity of China treasury bonds based on the expected term of the incentive shares.

No income tax benefit was recognized in the combined statements of comprehensive loss as the share-based compensation expense was not tax deductible.

(Expressed in U.S. dollar, except for number of shares)

The fair values of the options granted for the years ended December 31, 2020 and 2019 are as follows:

	Year Ended December 31,	
	2020	2019
	US$	US$
Weighted average grant date fair value of option per share	—	2.40
Aggregate grant date fair value of options	—	1,393,740

As of December 31, 2020, there was approximately $3,056,724 of total unrecognized compensation cost related to unvested share options and the unrecognized compensation costs are expected to be recognized over a weighted average period of approximately 2.51 years.

NOTE 16 – CONCENTRATIONS

(a) Customers

The following table sets forth information as to each customer that accounted for 10% or more of total revenue for the years ended December 31, 2020 and 2019.

	Year ended December 31, 2020		Year ended December 31, 2019	
Customer	Amount	% of Total	Amount	% of Total
A	$ 3,168,204	58%	$ 990,225	28%
B	717,460	13%	886,396	25%
AYRO, Inc.(1)	583,406	11%	—	—
D	14,460	*	697,880	20%
Total	$ 4,483,530	82%	$ 2,574,501	73%

* represented the percentage below 10%

(1) CAG Cayman owned 4.4% and 13.7% of the common stock of AYRO, Inc., as of December 31, 2020 and 2019, respectively. CAG Cayman does not exercise significant influence on AYRO, Inc.

The following table sets forth information as to each customer that accounted for 10% or more of total accounts receivable as of December 31, 2020 and 2019.

	As of December 31, 2020		As of December 31, 2019	
Customer	Amount	% of Total	Amount	% of Total
E	$ 843,923	53%	$ 790,974	68%
A	422,367	27%	—	—
Total	$ 1,266,290	80%	$ 790,974	68%

(Expressed in U.S. dollar, except for number of shares)

(b) Suppliers

For the years ended December 31, 2020 and 2019, the Company's material suppliers, each of whom accounted for more than 10% of the Company's total purchases, were as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
Supplier	**Amount**	**% of Total**	**Amount**	**% of Total**
A	$ 175,605	12%	$ 923,025	31%
B	—	—	560,117	19%
C	—	—	393,275	13%
Total	$ 175,605	12%	$ 1,876,417	63%

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be involved in various legal proceedings, claims and other disputes arising from the commercial operations, projects, employees and other matters which, in general, are subject to uncertainties and in which the outcomes are not predictable. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. Although the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity. As of December 31, 2020, the Company was not aware of any material litigation or lawsuit pending against the Company.

Commitment

In December 2020, the Company signed a non-cancellable operating lease agreement for its ECV manufacturing facility in Changxing, China. The lease period began in April 2021 and ends in March 2024. Pursuant to the agreement, the Company prepaid the first year of its rent obligations in February 2021 and thereafter will be obligated to pay rent in advance semiannually. The annual base rent for this facility is $481,471.

Future minimum lease payments under non-cancellable operating lease agreements was as follows:

For the year ending December 31,	**Operating Leases**
2021	$ 620,384
2022	524,530
2023	484,238
Total	$ 1,629,152

NOTE 18 – RELATED PARTY TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Company:

Name of related parties:	Relationship with the Company
Mr. Peter Wang	Chairman, Chief Executive Officer, founder and principal shareholder of CAG Cayman
Mr. Yeung Heung Yeung	A director and board member of CEG, and principal shareholder of CAG Cayman
Ms. Yan Yinjing	Immediate family of Mr. David Ming He, the Chief Financial Officer of CAG Cayman
Mr. Zhong Wei	Chief Technology Officer of CAG Cayman
Ms. Xu Cheng	Immediate family of Mr. Chris Xiongjian Chen, Chief Operating Officer of CAG Cayman
CAG Cayman	Mr. Peter Wang is a principal shareholder
Devirra Corporation Limited and its subsidiaries (Collectively referred to the “Devirra Group”)	Entities controlled by CAG Cayman
Cenntro Holding Limited	Ultimately controlled by Mr. Peter Wang
Zhejiang Zhongchai Machinery Co., Ltd (“Zhejiang Zhongchai”)	Ultimately controlled by Mr. Peter Wang
Zhejiang RAP	An entity significantly influenced by Hangzhou Ronda Tech Co., Limited
Jiangsu Rongyuan	An entity significantly influenced by Hangzhou Ronda Tech Co., Limited
Zhuhai Hengzhong Industrial Investment Fund (Limited Partner) (“Zhuhai Hengzhong”)	Mr. Peter Wang served as General Partner
Shenzhen Yuanzheng Investment Development Co. Ltd (“Shenzhen Yuanzheng”)	Controlled by Mr. Yeung Heung Yeung
Shanghai Hengyu Enterprise Management Consulting Co., Ltd (“Shanghai Hengyu”)	Ultimately controlled by Mr. Peter Wang

(Expressed in U.S. dollar, except for number of shares)

Related party transactions

During the years ended December 31, 2020 and 2019, the Company had the following material related party transactions

	For the Years Ended December 31,	
	2020	**2019**
Interest income from a related party		
Zhejiang RAP	$ 69,523	$ 53,093
Purchase of raw materials from related parties		
Devirra Group	—	1,002,086
Zhejiang Zhongchai	—	393,277
Jiangsu Rongyuan	—	560,120
Consulting service provided by a related party		
Shanghai Hengyu	107,905	121,596
Interest expense on loans provided by related parties		
Mr. Yeung Heung Yeung	96,559	—
Mr. Zhong Wei	109,726	71,019
Others	72,483	52,466
Payment for consulting service provided by a related party		
Shanghai Hengyu	110,802	118,701
Reclassification of loan payable from due to a related party to other current liabilities		
Yan Yinjing[(1)]	143,153	—

(1) Yan Yinjing is the immediate family of Mr. David Ming He, the Chief Financial Officer of CAG. Therefore, the loan payable to Ms. Yan Yinjing has been reclassified to accrued expense and other current liabilities.

Amounts due from Related Parties

The following table presents amounts due from related parties as of December 31, 2020 and 2019.

	As of December 31,	
	2020	**2019**
Devirra Group[(1)]	$ 637,078	$ 390,720
Zhejiang Zhongchai[(2)]	464,066	458,261
Jiangsu Rongyuan[(3)]	241,046	204,597
Total	1,342,190	1,053,578
Less: provision for receivable from a related party[(3)]	(241,046)	(204,597)
Amounts due from related parties, net	$ 1,101,144	$ 848,981

(1) The balance represented the advances to the related parties for daily operational purposes, which is due on demand. $279,918 of the balance as of December 31, 2020 has been subsequently collected as of April 30, 2021.

(2) The balances mainly represented the accounts receivable for selling industrial equipment of $332,418 and advance to Zhejiang Zhongchai for daily operational purpose of $131,648 as of December 31, 2020. $137,931 of the balance as of December 31, 2020 has been subsequently collected as of April 30, 2021.

(3) The balances mainly represented the advances to the related parties for daily operational purposes. Since the business conditions deteriorated, the Company recognized full provision for the year ended December 31, 2020 and 2019.

(Expressed in U.S. dollar, except for number of shares)

Amounts due to Related Parties

The following table presents amounts due to related parties as of December 31, 2020 and 2019.

	As of December 31,	
	2020	**2019**
Mr. Yeung Heung Yeung[(1)]	$ 1,196,559	$ 400,000
Mr. Zhong Wei[(1)]	923,751	1,126,905
CAG Cayman[(2)]	226,549	2,478,550
Zhejiang RAP[(3)]	215,054	270,509
Shenzhen Yuanzheng[(1)]	370,906	313,161
Cenntro Holding Limited [(2)]	1,951	468,418
Mr. Peter Wang[(1)]	81,496	240,370
Zhuhai Hengzhong[(2)]	210,774	228,389
Ms. Yan Yinjing[(1)]	—	128,179
Ms. Xu Cheng[(1)]	21,737	98,356
Shanghai Hengyu[(2)]	—	2,872
Total	$ 3,248,777	$ 5,755,709

(1) The balance represented the interest-bearing loan provided by related parties to the Company. The weighted average annual interest rates for the loans were 17.31% and 10.12% as of December 31, 2020 and 2019, respectively.

(2) The balance represented the advance funds from related parties for daily operational purposes. The funds are interests-free, and repayable upon demand.

(3) As of December 31, 2020, the balances represented the equity investment payable of $1,264,368 offset by one-year interest bearing loan to Zhejiang RAP of $1,049,314 with a maturity date of December 31, 2021. The applicable interest rate for the loan is 8% per annum.

NOTE 19 – SUBSEQUENT EVENT

The Company has performed an evaluation of subsequent events through the date the combined financial statements were issued and determined that no events that would have required adjustment or disclosure in the combined financial statements, except for the following:

Subsequently, the Company determined not to pursue an initial public offering and corporate reorganization and, as a result, the related note disclosure was removed.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
CONDENSED COMBINED BALANCE SHEETS
(Expressed in U.S. dollar, except for the number of shares)

	Note	June 30, 2021 (unaudited)	December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents		$ 1,965,143	$ 4,549,034
Accounts receivable, net	4	1,613,627	463,333
Inventories	5	2,858,559	4,207,990
Prepayment and other current assets, net	6	2,291,949	2,087,756
Receivable from disposal of land use rights and properties		1,611,279	7,724,138
Amounts due from related parties	15	407,559	1,101,144
Total current assets		**10,748,116**	**20,133,395**
Non-current assets:			
Properties and equipment, net	7	925,691	1,039,191
Intangible assets, net		24,415	45,430
Right-of-use assets, net	11	3,062,734	423,304
Other non-current assets	8	2,484,846	1,117,648
Total non-current assets		**6,497,686**	**2,625,573**
Total Assets		**$ 17,245,802**	**$ 22,758,968**
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities:			
Accounts and notes payable		1,496,582	3,722,686
Accrued expense and other current liabilities	9	5,862,173	5,743,323
Contractual liabilities		1,527,401	1,690,837
Operating lease liabilities, current	11	449,368	131,014
Amounts due to related parties	15	1,963,680	3,248,777
Total current liabilities		**11,299,204**	**14,536,637**
Operating lease liabilities, non-current	11	2,260,763	356,143
Total Liabilities		**$ 13,559,967**	**$ 14,892,780**
Commitments and contingencies	14		
EQUITY			
Common Stock			
Cenntro Electric Group, Inc., $0.01 par value; 1,500 shares authorized; one and one share issued and one and one outstanding at June 30, 2021 and December 31, 2020, respectively		—	—
Cenntro Automotive Corporation, $0.001 par value; 1,000,000 shares authorized; 1,000,000 and 1,000,000 shares issued outstanding at June 30 2021 and December 31, 2020, respectively		1,000	1,000
Ordinary Share			
Cenntro Automotive Group Limited, nil par value; 1,000 shares authorized; 1,000 and 1,000 shares issued outstanding at June 30 2021 and December 31, 2020, respectively		—	—
Additional paid-in capital		103,272,072	103,112,793
Accumulated deficit		(97,856,695)	(93,314,128)
Accumulated other comprehensive loss		(1,696,215)	(1,904,839)
Total equity attributable to shareholders		**3,720,162**	**7,894,826**
Non-controlling interests		(34,327)	(28,638)
Total Equity		**3,685,835**	**7,866,188**
Total Liabilities and Equity		**$ 17,245,802**	**$ 22,758,968**

The accompanying notes are an integral part of these condensed combined financial statements.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
UNAUDITED CONDENSED COMBINED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in U.S. dollar, except for number of shares)

		For the Six Months Ended June 30,	
		2021	2020
		(unaudited)	(unaudited)
Net revenues		$ 2,455,726	$ 1,759,454
Cost of goods sold		(2,005,426)	(1,742,985)
Gross profit		**450,300**	**16,469**
OPERATING EXPENSES:			
Selling and marketing expenses		(262,372)	(351,745)
General and administrative expenses		(4,160,852)	(4,041,107)
Research and development expenses		(637,067)	(721,535)
Reversal of (provision for) doubtful accounts		78,653	(204,552)
Total operating expenses		**(4,981,638)**	**(5,318,939)**
Loss from operations		**(4,531,338)**	**(5,302,470)**
OTHER INCOME (EXPENSE):			
Interest expense, net		(417,826)	(739,418)
Loss from equity method investments		—	(324,094)
Other income, net		402,333	82,067
Loss before income taxes		**(4,546,831)**	**(6,283,915)**
Income tax expense	10	—	—
Net loss		**(4,546,831)**	**(6,283,915)**
Less: net loss attributable to non-controlling interests		(4,264)	(21,188)
Net loss attributable to shareholders		**$ (4,542,567)**	**$ (6,262,727)**
OTHER COMPREHENSIVE LOSS			
Foreign currency translation adjustment		207,199	(234,860)
Total comprehensive loss		**(4,339,632)**	**(6,518,775)**
Total comprehensive loss attributable to non-controlling interests		(5,689)	(19,634)
Total comprehensive loss attributable to shareholders		**$ (4,333,943)**	**$ (6,499,141)**

The accompanying notes are an integral part of these condensed combined financial statements.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY
(Expressed in U.S. dollar, except for number of shares)

	Common Stock		Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholder's Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2019	**1,000,000**	**$ 1,000**	**1,000**	**$ —**	**$ 99,748,576**	**$ (88,148,236)**	**$ (3,203,865)**	**$ 8,397,475**	**$ 10,572**	**$ 8,408,047**
Share-based compensation	1	—	—	—	1,682,109	—	—	1,682,109	—	1,682,109
Net loss	—	—	—	—	—	(6,262,727)	—	(6,262,727)	(21,188)	(6,283,915)
Foreign currency translation adjustment	—	—	—	—	—	—	(236,415)	(236,415)	1,554	(234,861)
Balance as of June 30, 2020 (unaudited)	**1,000,001**	**$ 1,000**	**1,000**	**$ —**	**$ 101,430,685**	**$ (94,410,963)**	**$ (3,440,280)**	**$ 3,580,442**	(9,062)	**$ 3,571,380**
Balance as of December 31, 2020	**1,000,001**	**$ 1,000**	**1,000**	**$ —**	**$ 103,112,793**	**$ (93,314,128)**	**$ (1,904,839)**	**$ 7,894,826**	**$ (28,638)**	**$ 7,866,188**
Share-based compensation	—	—	—	—	719,490	—	—	719,490		719,490
Debt due from shareholders deduction of additional paid-in capital					(560,211)			(560,211)		(560,211)
Net loss	—	—	—	—		(4,542,567)	—	(4,542,567)	(4,264)	(4,546,831)
Foreign currency translation adjustment	—	—	—	—	—	—	208,624	208,624	(1,425)	207,199
Balance as of June 30, 2021 (unaudited)	**1,000,001**	**$ 1,000**	**1,000**	**$ —**	**$ 103,272,072**	**$ (97,856,695)**	**$ (1,696,215)**	**$ 3,720,162**	**$ (34,327)**	**$ 3,685,835**

The accompanying notes are an integral part of these condensed combined financial statements.

CENNTRO ELECTRIC GROUP, INC., CENNTRO AUTOMOTIVE CORPORATION AND CENNTRO AUTOMOTIVE GROUP LIMITED
UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOW
(Expressed in U.S. dollar, except for number of shares)

	For the Six Months Ended June 30,	
	2021	**2020**
	(unaudited)	**(unaudited)**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash used in operating activities	**$ (6,416,398)**	**$ (4,088,062)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of properties and equipment	(271,835)	(20,558)
Payment of long-term investment payable	(906,601)	—
Proceeds from disposal of land use rights and property, plant and equipment	6,210,308	—
Loans provided to related parties	(1,530,100)	(1,133,742)
Repayment of loans from related parties	2,093,106	1,160,152
Net cash provided by investing activities	**5,594,878**	**5,852**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans proceeds from related parties	2,364,105	1,521,116
Repayment of loans to related parties	3,283,576	(407,667)
Loans proceed from third parties	—	1,948,640
Repayment of loans to third parties	(933,212)	(27,243)
Proceeds from bank loans	53,619	10,718,847
Repayments to bank loans	—	(10,736,330)
Net cash (used in) provided by financing activities	**(1,799,064)**	**3,017,363**
Effect of exchange rate changes on cash	36,693	(12,899)
Net decrease in cash and cash equivalents	(2,583,891)	(1,077,746)
Cash and cash equivalents at beginning of year	4,549,034	1,228,706
Cash and cash equivalents at end of year	**$ 1,965,143**	**$ 150,960**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income tax paid	$ —	$ —
Interest paid	$ —	$ (429,364)
SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION:		
Right of use assets obtained in exchange for operating lease obligations	$ 2,374,410	$ —
Debt due from shareholders deduction of additional paid-in capital	560,211	—

The accompanying notes are an integral part of these combined financial statements.

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES

Principal activities

Cenntro Automotive Group Limited ("CAG Cayman"), formerly known as Cenntro Motors Group Limited, was formed in Cayman Islands on August 22, 2014.

Cenntro Automotive Corporation ("CAC"), formerly known as Cenntro Motor Corporation, was incorporated in the state of Delaware on March 22, 2013. CAC became CAG Cayman's wholly owned company on May 26, 2016. CAC conducted business to design and develop electric utility vehicles.

Cenntro Automotive Group Limited ("CAG HK"), formerly known as Cenntro Automotive (Hong Kong) Limited, which shares the same name with CAG Cayman, was established by CAG Cayman on February 15, 2016 in Hong Kong. CAG HK conducts business through its subsidiaries in mainland China.

Cenntro Electric Group, Inc. ("CEG") was incorporated in the state of Delaware on March 9, 2020 as a holding company and a wholly owned subsidiary of CAG Cayman. CEG has no current operations.

All references to the "Company" refer to CEG, CAG HK and its consolidated subsidiaries and CAC, on a combined basis. Historically, the Company's business has been conducted through CAG HK and its subsidiaries and CAC.

The Company is a designer and manufacturer of electric light- and medium-duty commercial vehicles ("ECVs"). The Company both (i) designs, manufactures, assembles, homologates and sells ECVs to third parties for distribution and service to end-users and (ii) distributes manufactured vehicle kits, which are then assembled, homologated, sold and serviced by third parties in their respective markets.

(Expressed in U.S. dollar, except for number of shares)

As of June 30, 2020, the Company's subsidiaries are as follows:

Name	Date of Incorporation	Place of incorporation	Percentage of direct or indirect economic interest
Sinomachinery Equipment Limited ("Sinomachinery HK")	June 2, 2011	Hong Kong	100%
Zhejiang Sinomachinery Co., Limited ("Sinomachinery Zhejiang")	June 16, 2011	PRC	100%
Shengzhou Cenntro Machinery Co., Limited ("Cenntro Machinery")	July 12, 2012	PRC	100%
Hangzhou Hengzhong Tech Co., Limited	December 16, 2014	PRC	100%
Hangzhou Cenntro Autotech Co., Limited ("Cenntro Hangzhou")	May 6, 2016	PRC	100%
Hangzhou Yiwei Tech Co., Limited	October 26, 2016	PRC	85%
Zhejiang Xbean Tech Co., Limited	December 28, 2016	PRC	90%
Hangzhou Ronda Tech Co., Limited	June 5, 2017	PRC	100%
Zhejiang Tooniu Tech Co., Limited	December 19, 2018	PRC	100%

NOTE 2 – LIQUIDITY

For the six months ended June 30, 2021 and 2020, the Company incurred net losses of $4,546,831 and $6,283,915, respectively and had net cash used in operating activities of $7,322,370 and $4,088,062, respectively. The Company's operating results for future periods are subject to uncertainties and it is uncertain if the Company will be able to reduce or eliminate its net losses for the foreseeable future. If management is not able to increase revenue and/or manage operating expenses in line with revenue forecasts, the Company may not be able to achieve profitability.

For the next 12 months from the issuance date of the unaudited combined interim financial statements, the Company plans to continue implementing various measures to boost revenue and controlling the cost and expenses, implementing comprehensive budget control and operation assessment, implementing enhanced vendor review and selection processes as well as enhancing internal controls on payable management, and creating synergy of the Company's resources. The Company assesses that it could meet its obligations for the next 12 months from the issuance date of the unaudited combined interim financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying combined balance sheet as of December 31, 2020, which has been derived from audited financial statements, and the unaudited interim combined financial statements as of June 30, 2021 and for the six months ended June 30, 2021 and 2020 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

Certain information and disclosures, which are normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), have been condensed or omitted pursuant to such rules and regulations. Management believes that the disclosures made are adequate to provide a fair presentation. The interim financial information should be read in conjunction with the audited financial statements and the notes for the years ended December 31, 2020 and 2019.

The combined financial statements include the combined financial statements of CEG, and CAC and the consolidated financial statements of CAG HK and its subsidiaries from the dates they were acquired or incorporated. All intercompany balances and transactions have been eliminated in combination and consolidation.

(Expressed in U.S. dollar, except for number of shares)

(b) Recent Accounting Pronouncements

Except for the accounting standards update ("ASU") issued but not yet adopted as disclosed in Note 3 to the audited financial statements for the years ended December 31, 2020 and 2019, there is no ASU issued by the Financial Accounting Standards Board ("FASB") that is expected to have a material impact on the unaudited condensed combined financial statements upon adoption.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net is summarized as follows:

	June 30, 2021	December 31, 2020
	(unaudited)	
Accounts receivable	$ 1,613,627	$ 1,584,448
Less: provision for doubtful accounts	—	(1,121,115)
Accounts receivable, net	$ 1,613,627	$ 463,333

Movements of the provision for doubtful accounts are as follows:

	For the Six Months Ended June 30,	
	2021	2020
	(unaudited)	(unaudited)
Balance at the beginning of the period	$ (1,121,115)	$ (874,355)
Additions	—	(87,635)
Write off	1,121,115	—
Foreign exchange	—	17,514
Balance at the end of the period	**$ —**	$ (944,476)

NOTE 5 – INVENTORIES

Inventories are summarized as follows:

	June 30, 2021	December 31, 2020
	unaudited	
Raw material	$ 1,435,475	$ 1,713,761
Work-in-progress	200,156	931,249
Finished goods	1,222,928	1,562,980
Inventories	**$ 2,858,559**	**$ 4,207,990**

For the six months ended June 30, 2021 and 2020, the impairment loss recognized by the Company for slow-moving inventory with cost lower than net realizable value was $513,182 and $542,382, respectively.

(Expressed in U.S. dollar, except for number of shares)

NOTE 6 – PREPAYMENT AND OTHER CURRENT ASSETS, NET

Prepayment and other current assets, net as of June 30, 2021 and December 31, 2020 consisted of the following:

	June 30, 2021	December 31, 2020
	(unaudited)	
Advance to suppliers	$ 1,111,963	$ 814,322
Receivable from third parties	864,073	805,382
Deductible input value added tax	819,351	903,715
Others	115,528	178,187
Total	**2,910,915**	**2,701,606**
Less: provision for receivable from third parties	(618,966)	(613,850)
Prepayment and other current assets, net	**$ 2,291,949**	**$ 2,087,756**

The Company didn't record any provision for receivable from third parties for the six months ended June 30, 2021 and 2020, respectively.

NOTE 7 – PROPERTIES AND EQUIPMENT, NET

Properties and equipment, net as of June 30, 2021 and December 31, 2020 consisted of the following:

	June 30, 2021	December 31, 2020
	(unaudited)	
At cost:		
Machinery and equipment	$ 1,594,310	$ 1,972,035
Leasehold improvement	722,647	652,520
Office equipment	721,943	950,106
Motor vehicles	298,926	315,550
Construction in progress	22,659	—
Total	**3,360,485**	**3,890,211**
Less: accumulated depreciation	(2,434,794)	(2,851,020)
Properties and equipment, net	**$ 925,691**	**$ 1,039,191**

On November 9, 2020, the Company disposed its land use rights and buildings to a third party for a consideration of $34,326,979, with disposal gain of $7,005,446 recognized.

Depreciation expenses for the six months ended June 30, 2021 and 2020 were $374,328 and $701,645, respectively.

Impairment loss for the six months ended June 30, 2021 and 2020 were $6,193 and $87,746, respectively.

NOTE 8 – OTHER NON-CURRENT ASSETS, NET

	June 30, 2021	December 31, 2020
	(unaudited)	
Receivable from a third party[(a)]	$ 2,323,960	$ 2,298,851
Deferred offering cost	2,095,970	1,003,929
Prepayment for investment	232,396	—
Deposit	156,480	113,719
Total	**4,808,806**	**3,416,499**

(Expressed in U.S. dollar, except for number of shares)

	June 30, 2021	December 31, 2020
	(unaudited)	
Less: allowance for receivable from a third party[(a)]	(2,323,960)	(2,298,851)
Other non-current assets, net	**$ 2,484,846**	**$ 1,117,648**

(a) In 2018, the Company signed an agreement with Anhua Automotive Co. Ltd., ("Anhua") and paid an initial non-refundable deposit to participate in Anhua's bankruptcy recombination process to develop further production capacity in China. However, due to the irrecoverable deterioration of Anhua's business and the Company's focus on Europe and America markets, further participation in the recombination was ceased. Therefore, the Company recorded full provision of the deposit for the year ended December 31, 2019.

NOTE 9 – ACCRUED EXPENSE AND OTHER CURRENT LIABILITIES

Accrued expense and other current liabilities are summarized as follow:

	June 30, 2021	December 31, 2020
	(unaudited)	
Loans from third parties	$ 3,404,098	$ 4,073,856
Accrued professional fees	1,202,361	370,555
Employee payroll and welfare payables	895,705	964,016
Other tax payable	5,559	6,576
Others	354,450	328,320
Total	**$ 5,862,173**	**$ 5,743,323**

Loans from third parties represented combined aggregate interest-bearing loans of $3,404,098 and $4,073,856 as of June 30, 2021 and December 31, 2020, respectively, with the weighted average annual interest rate of 16.53% and 13.39%, respectively. The majority of the loans from third parties as of June 30, 2021 will mature between September 2021 and December 2021, and are negotiable for extension upon maturity.

The Company is not subject to any material financial or restrictive covenants under the loan agreements with third parties. Each of these loans are unsecured obligations of the Company and rank equally with each other, and any future unsecured and unsubordinated indebtedness.

NOTE 10 – INCOME TAXES

United States

The holding company CEG and U.S. subsidiary CAC are subject to a federal tax rate of 21%.

Hong Kong

In accordance with the relevant tax laws and regulations of Hong Kong, a company registered in Hong Kong is subject to income taxes within Hong Kong at the applicable tax rate on taxable income. Effective from April 1, 2018, a two-tier corporate income tax system was officially implemented in Hong Kong, which is 8.25% for the first HK$2.0 million profits, and 16.5% for the subsequent profits. Under the HK tax laws, it is exempted from the Hong Kong income tax on its foreign-derived income. CAG HK and Sinomachinery HK, are registered in Hong Kong as intermediate holding companies, subject to an income tax rate of 16.5% for taxable income earned in Hong Kong. Payments of dividends from Hong Kong subsidiaries are not subject to any Hong Kong withholding tax.

PRC

Pursuant to the tax laws and regulations of the PRC, the Company's applicable enterprise income tax ("EIT") rate is 25%.

Income tax expenses for the six months ended June 30, 2021 and 2020 were both nil.

(Expressed in U.S. dollar, except for number of shares)

NOTE 11 – LEASES

The Company leases office spaces under non-cancellable operating leases. The Company 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. Lease expense for lease payment is recognized on a straight-line basis over the lease term. Leases with initial term of 12 months or less are not recorded on the balance sheets.

The Company 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.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

A summary of lease cost recognized in the Company's condensed combined statements of operations and comprehensive loss is as follows:

	For the Six Months Ended June 30,	
	2021	**2020**
	(unaudited)	**(unaudited)**
Operating leases cost excluding short-term rental expense	$ 273,131	$ 120,430
Short-term lease cost	2,764	10,330
Total	**$ 275,895**	**$ 130,760**

A summary of supplemental information related to operating leases is as follows:

	For the Six Months Ended June 30,	
	2021	**2020**
	(unaudited)	**(unaudited)**
Cash paid for amounts included in the measurement of lease liabilities	$ 613,282	$ —
Weighted average remaining lease term	4.89 years	2.50 years
Weighted average discount rate	4.75%	4.75%

The Company'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 Company 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. The weighted-average discount rate was calculated using the discount rate for the lease that was used to calculate the lease liability balance for each lease and the remaining balance of the lease payments for each lease as of June 30, 2021 and 2020, respectively.

The weighted-average remaining lease terms were calculated using the remaining lease term and the lease liability balance for each lease as of June 30, 2021 and 2020, respectively.

The following table summarizes the maturity of lease liabilities under operating leases as of June 30, 2021:

	Operating Leases
Six months ending December 31, 2021	$ 161,031
Years ended December 31,	
2022	925,437
2023	521,933
2024	486,730
2025	486,730
2026	486,730
Total lease payments	**3,068,591**

(Expressed in U.S. dollar, except for number of shares)

		Operating Leases
Less: imputed interest		358,460
Total		**2,710,131**
Less: current portion		449,368
Non-current portion	$	2,260,763

NOTE 12 – SHARE-BASED COMPENSATION

Share based compensation expenses relate to the share options granted by CAG Cayman to the employees and directors of the Company. For the six months ended 2021 and 2020, total share-based compensation expenses allocated from CAG Cayman were $710,490 and $1,682,109, respectively.

Share options granted by CAG Cayman to employees of the Company

On February 10, 2016, CAG Cayman adopted the 2016 Share Incentive Plan (the "2016 Plan", which allows CAG Cayman to grant options to the employees and directors of the Company to purchase up to 14,139,360 ordinary shares of CAG Cayman subject to vesting requirements. On April 17, 2018, CAG Cayman expanded the share reserve under the 2016 Plan, increasing the number of ordinary shares available for issuance under the 2016 Plan by an additional 10,484,797 ordinary shares to total 24,624,157 ordinary shares. Generally, the options become exercisable during the term of the optionee's service in five equal annual instalments of 20% each. The expiration dates of the options are between six and eight years from the respective grant dates as stated in the option grant letters.

On March 7 and May 31, 2016, CAG Cayman granted 12,169,840 options and 650,000 options to the employees and directors of the Company to purchase CAG Cayman's ordinary shares at exercise prices ranging from $0.2000 to $1.2092 per share. The options have a contractual term ranging from six years to eight years.

On August 1 and December 31, 2017, CAG Cayman granted 6,300,000 options and 2,580,000 options to the employees and directors of the Company to purchase CAG Cayman's ordinary shares at exercise prices ranging from $1.6500 to $1.8792 per share. The options have a contractual term of eight years.

On December 31, 2019, CAG Cayman granted 580,000 options to certain management of the Company under the 2016 Plan to purchase CAG Cayman's ordinary shares at exercise prices of $2.2126 per share. The options have a contractual term of eight years.

A summary of share options activity for the six months ended June 30, 2021 and 2020 is as follows:

	Number of Share Options	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Years	Aggregate Intrinsic Value US$
Outstanding at December 31, 2019	**21,616,130**	**1.07**	**4.69**	**28,639,946**
Granted	—	—		
Exercised	—	—		
Forfeited	2,520,000	1.65		
Expired	—	—		
Outstanding at June 30, 2020 (unaudited)	**19,096,130**	**0.99**	**4.07**	**24,597,866**
Outstanding at December 31, 2020	**18,976,130**	**0.98**	**3.56**	**24,410,306**
Granted	—			
Exercised	—			
Forfeited	—			
Expired	—			
Outstanding at June 30, 2021 (unaudited)	**18,976,130**	**0.98**	**3.06**	**24,410,306**

(Expressed in U.S. dollar, except for number of shares)

	Number of Share Options	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Years	Aggregate Intrinsic Value US$
Vested and expected to vest as of June 30, 2021 (unaudited)	**18,976,130**	**0.98**	**3.06**	**24,410,306**
Exercisable as of June 30, 2021 (unaudited)	**17,512,130**	**0.90**	**2.89**	**21,732,314**

The total intrinsic value of options exercised during the six months ended June 30, 2021 and 2020 were nil.

No income tax benefit was recognized in the combined statements of comprehensive loss as the share-based compensation expense was not tax deductible.

The fair values of the options granted for the six months ended June 30, 2021 and 2020 were nil.

As of June 30, 2021, there was approximately $808,872 of total unrecognized compensation cost related to unvested share options and the unrecognized compensation costs are expected to be recognized over a weighted average period of approximately 2.54 years.

NOTE 13 – CONCENTRATIONS

(a) Customers

The following table sets forth information as to each customer that accounted for 10% or more of total revenue for the six months ended June 30, 2021 and 2020.

	Six months ended June 30,			
	2021		2020	
Customer	**Amount**	**% of Total**	**Amount**	**% of Total**
	(unaudited)		**(unaudited)**	
A	$ 1,347,874	55%	$ 760,039	43%
AYRO, Inc.[(1)]	516,357	21%	*	*
B	294,000	12%	234,273	13%
C	—	—	490,789	28%
Total	**$ 2,158,231**	**88%**	**$ 1,485,101**	**84%**

* represented the percentage below 10%

(1) CAG Cayman owned 2.0% and 4.4% of the common stock of AYRO, Inc., as of June 30, 2021 and December 31, 2020, respectively. CAG Cayman does not exercise significant influence on AYRO, Inc.

The following table sets forth information as to each customer that accounted for 10% or more of total accounts receivable as of June 30, 2021 and December 31, 2020.

	As of June 30, 2021		As of December 31, 2020	
Customer	**Amount**	**% of Total**	**Amount**	**% of Total**
	(unaudited)			
A	$ 1,555,021	96%	$ 422,367	91%
Total	**$ 1,555,021**	**96%**	**$ 422,367**	**91%**

(Expressed in U.S. dollar, except for number of shares)

(b) Suppliers

For the six months ended June 30, 2021 and 2020, the Company's material suppliers, each of whom accounted for more than 10% of the Company's total purchases, were as follows:

	Six months ended June 30,			
	2021		2020	
Supplier	**Amount**	**% of Total**	**Amount**	**% of Total**
	(unaudited)		**(unaudited)**	
A	$ 128,658	13%	$ —	—
B	120,026	12%	—	—
Total	**$ 248,684**	**25%**	**$ —**	**—**

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be involved in various legal proceedings, claims and other disputes arising from the commercial operations, projects, employees and other matters which, in general, are subject to uncertainties and in which the outcomes are not predictable. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. Although the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity. As of June 30, 2021 the Company was not aware of any material litigation or lawsuit pending against the Company.

Commitments

Future minimum lease payments under non-cancellable operating lease agreements as of June 30, 2021 were as follows:

	Operating Leases
Six Months ending December 31, 2021	$ 161,031
Year ended December 31,	
2022	925,437
2023	521,933
2024	486,730
2025	486,730
2026	486,730
Total	**$ 3,068,591**

NOTE 15 – RELATED PARTY TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Company:

Name of related parties:	**Relationship with the Company**
Mr. Peter Wang	Chairman, Chief Executive Officer, founder and principal shareholder of CAG Cayman
Mr. Yeung Heung Yeung	A director and board member of CEG, and principal shareholder of CAG Cayman
Ms. Yan Yinjing	Immediate family of Mr. David Ming He, the Chief Financial Officer of CAG Cayman

Name of related parties:	Relationship with the Company
Mr. Zhong Wei	Chief Technology Officer of CAG Cayman
Ms. Xu Cheng	Immediate family of Mr. Chris Xiongjian Chen, Chief Operating Officer of CAG Cayman
CAG Cayman	Mr. Peter Wang is a principal shareholder
Devirra Corporation Limited and its subsidiaries (Collectively referred to the "Devirra Group")	Entities controlled by CAG Cayman
Cenntro Holding Limited	Ultimately controlled by Mr. Peter Wang
Zhejiang Zhongchai Machinery Co., Ltd ("Zhejiang Zhongchai")	Ultimately controlled by Mr. Peter Wang
Zhejiang RAP	An entity significantly influenced by Hangzhou Ronda Tech Co., Limited
Jiangsu Rongyuan	An entity significantly influenced by Hangzhou Ronda Tech Co., Limited
Zhuhai Hengzhong Industrial Investment Fund (Limited Partner) ("Zhuhai Hengzhong")	Mr. Peter Wang served as General Partner
Shenzhen Yuanzheng Investment Development Co. Ltd ("Shenzhen Yuanzheng")	Controlled by Mr. Yeung Heung Yeung
Shanghai Hengyu Enterprise Management Consulting Co., Ltd ("Shanghai Hengyu")	Ultimately controlled by Mr. Peter Wang

Related party transactions

During the six months ended June 30, 2021 and 2020, the Company had the following material related party transactions

	For the Six Months Ended June 30,	
	2021	2020
	(unaudited)	(unaudited)
Interest income from a related party		
Zhejiang RAP	$ 15,993	$ 34,129
Interest expense on loans provided by related parties		
Mr. Yeung Heung Yeung	65,096	48,059
Mr. Zhong Wei	6,018	53,541
Capital Injection to a related party		
Zhejiang RAP	906,601	
Rental income from a related party		
Devirra Group	122,196	38,020
Reclassification of loan payable from due to a related party to other current liabilities		
Yan Yinjing(1)	$ —	$ 133,721

(1) Yan Yinjing is the immediate family of Mr. David Ming He, the Chief Financial Officer of CAG. Therefore, the loan payable to Ms. Yan Yinjing has been reclassified to accrued expense and other current liabilities.

(Expressed in U.S. dollar, except for number of shares)

Amounts due from Related Parties

The following table presents amounts due from related parties as of June 30, 2021 and December 31, 2020.

	June 30, 2021	December 31, 2020
	(unaudited)	
Zhejiang Zhongchai[1]	$ 407,559	$ 464,066
Devirra Group[2]	—	637,078
Jiangsu Rongyuan[3]	164,793	241,046
Total	**572,352**	**1,342,190**
Less: provision for receivable from a related party	(164,793)	(241,046)
Amounts due from related parties, net	**$ 407,559**	**$ 1,101,144**

(1) The balances mainly represented the advance to Zhejiang Zhongchai for daily operational purposes of $407,559 as of June 30, 2021.

(2) In the first half of 2021, a portion of the balance as of December 31, 2020 was collected and the remaining balance of $560,211 was guaranteed by CAG Cayman and was deducted from additional paid-in capital.

(3) The balances mainly represented the advances to the related party for daily operational purposes. Since the business conditions of the related party deteriorated, the Company recognized full provision for the year ended December 31, 2020. $78,653 of the balance as of December 31, 2020 has been subsequently net off against the balance due to this related party in the first half of 2021.

Amounts due to Related Parties

The following table presents amounts due to related parties as of June 30, 2021 and December 31, 2020.

	June 30, 2021	December 31, 2020
	(unaudited)	
Mr. Yeung Heung Yeung[1]	$ 1,261,655	$ 1,196,559
Shenzhen Yuanzheng[1]	393,549	370,906
Mr. Zhong Wei[1]	162,210	923,751
Mr. Peter Wang[1]	71,595	81,496
Zhejiang RAP[3]	46,586	215,054
Ms. Xu Cheng[1]	21,975	21,737
CAG Cayman[2]	4,708	226,549
Cenntro Holding Limited[2]	1,402	1,951
Zhuhai Hengzhong[2]	—	210,774
Total	**$ 1,963,680**	**$ 3,248,777**

(1) The balance represented the interest-bearing loan provided by related parties to the Company. The weighted average annual interest rates for the loans were 11.73% and 17.31% as of June 30, 2021 and December 31, 2020, respectively.
(2) The balance represented the advance funds from related parties for daily operational purposes. The funds are interests-free, and repayable upon demand.
(3) As of June 30, 2021, the balances represented the equity investment payable of $368,890 and the one-year interest bearing loan to Zhejiang RAP of $322,304 with a maturity date of December 31, 2021. The applicable interest rate for the loan is 8% per annum.

NOTE 16 – SUBSEQUENT EVENT

The Company has performed an evaluation of subsequent events through the date the unaudited combined interim financial statements were issued and determined that no events that would have required adjustment or disclosure in the combined financial statements, except for the following:

Subsequently, the Company determined not to pursue an initial public offering and corporate reorganization and, as a result, the related note disclosure was removed.

Exhibit 4.1

FORM OF WARRANT

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), FROM REPUTABLE COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

NAKED BRAND GROUP LIMITED

WARRANT TO PURCHASE ORDINARY SHARES

Warrant No.:
Date of Issuance: November , 2021 ("**Issuance Date**")

Naked Brand Group Limited, an Australian company (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, , the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Ordinary Shares (including any Warrants to Purchase Ordinary Shares issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the Issuance Date, but not after 11:59 p.m., New York time, on the Expiration Date (as defined below), [49,900,200][1][32,435,130][2] (subject to adjustment as provided herein), fully paid and non-assessable Ordinary Shares (as defined below) (the "**Warrant Shares**"). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 16. This Warrant is one of the Warrants to purchase Ordinary Shares (the "**SPA Warrants**") issued pursuant to that certain Securities Purchase Agreement, dated as of November , 2021, as amended, by and among the Company and the investor(s) thereunder referred to therein (the "**Securities Purchase Agreement**").

[1] Five-Year Warrant.

[2] One-Year Warrant.

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(f)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date in whole or in part, by delivery (whether via facsimile or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant. Within one (1) Trading Day following an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (in respect of such specific exercise, the "**Aggregate Exercise Price**") in cash or via wire transfer of immediately available funds if the Holder did not notify the Company in such Exercise Notice that such exercise was made pursuant to a Cashless Exercise (as defined in Section 1(d)). The Holder shall not be required to deliver the original of this Warrant in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate and issuance of a new Warrant certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1^{st}) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by facsimile an acknowledgment of confirmation of receipt of such Exercise Notice, in the form attached hereto as **Exhibit B**, to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the second (2nd) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall, upon the request of the Holder, credit such aggregate number of Ordinary Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with Depository Trust Company ("**DTC**") through its Deposit/ Withdrawal at Custodian system. Upon delivery of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder's DTC account. If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then, at the request of the Holder and upon surrender hereof by the Holder at the principal office of the Company, the Company shall as soon as practicable and in no event later than the date on which the Holder is credited with the Ordinary Shares issued upon exercise of the Warrant, and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. No fractional Ordinary Shares are to be issued upon the exercise of this Warrant, but rather the number of Ordinary Shares to be issued shall be rounded up to the nearest whole number. The Company shall pay any and all taxes and fees which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means $0.7348, subject to adjustment as provided herein.

(c) Company's Failure to Timely Deliver Securities. To the extent permitted by law, the Company's obligations to issue and deliver the Ordinary Shares upon exercise of the Warrant in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance that might otherwise limit such obligation of the Company to the Holder in connection with the issuance of the Ordinary Shares. Nothing herein shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver the Ordinary Shares issuable upon exercise of this Warrant as required pursuant to the terms hereof.

(d) Cashless Exercise. Notwithstanding anything contained herein to the contrary (other than Section 1(f) below):

(i) the Holder may in its sole discretion (and without limiting the Holder's rights and remedies contained herein or in any of the other Transaction Documents (as defined in the Securities Purchase Agreement)), exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of Ordinary Shares determined according to the following formula:

Net Number = (A x B) / C

; and

(ii) at any time after the six-month anniversary of the Issuance Date, when the previous day Closing Bid Price is higher than the Exercise Price and there is no effective registration statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, the Holder may in its sole discretion (and without limiting the Holder's rights and remedies contained herein or in any of the other Transaction Documents (as defined in the Securities Purchase Agreement)), exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of Ordinary Shares determined according to the following formula

Net Number = (C - D) x A / C

(an exercise pursuant to either clause (i) or (ii), a "**Cashless Exercise**"). For purposes of the foregoing formulas:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = Black Scholes Value (as defined in Section 16 herein).

C = the Closing Bid Price of the Ordinary Shares as of two (2) Trading Days prior to the time of such exercise (as such Closing Bid Price is defined in Section 16 herein), but in any event not less than $0.167 (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein).

D = The Exercise Price, as adjusted hereunder.

(e) Exercise Limitation. Notwithstanding anything herein to the contrary, in no event shall the Company be required to issue more than [149,700,599][3][97,305,389][4] Ordinary Shares (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein), in the aggregate, upon exercise of this Warrant.

(f) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the number of Warrant Shares to be issued pursuant to the terms hereof (including, without limitation, the Net Number), the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed, provided that following such issuance to Holder such dispute shall be resolved in accordance with Section 13.

(g) Limitations on Exercises and Exchanges. Except in the event of the automatic exercise of this Warrant pursuant to Section 2(e), notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable or exchangeable by the Holder hereof to the extent (but only to the extent) that the Holder or any of its affiliates would beneficially own in excess of 9.9% of the number of Ordinary Shares outstanding after giving effect to the issuance of Ordinary Shares issuable upon exercise of the Warrants calculated in accordance with Section 13(d) of the Exchange Act (the "**Maximum Percentage**"). To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability to exercise or exchange this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability or exchangeability. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the Exchange Act (as defined in the Securities Purchase Agreement) and the rules and regulations promulgated thereunder. The provisions of this paragraph shall be implemented in a manner otherwise than in strict conformity with the terms of this paragraph to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant. The holders of Ordinary Shares shall be third party beneficiaries of this paragraph and the Company may not waive this paragraph without the consent of holders of a majority of its Ordinary Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within two (2) Business Days confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding, including by virtue of any prior conversion or exercise or exchange of convertible or exercisable or exchangeable securities into Ordinary Shares, including, without limitation, pursuant to this Warrant or securities issued pursuant to the Securities Purchase Agreement.

[3] Five-Year Warrant.

[4] One-Year Warrant.

(h) [Reserved]

(i) Reservation of Shares; Insufficient Authorized Shares. The Company shall initially reserve out of its authorized and unissued Ordinary Shares a number of Ordinary Shares equal to 200% of the maximum number of Warrant Shares issuable to satisfy the Company's obligations to issue Ordinary Shares hereunder, and the Company shall at all times keep reserved for issuance under this Warrant a number of Ordinary Shares equal to 200% of the maximum number of Warrant Shares issuable to satisfy the Company's obligation to issue Ordinary Shares hereunder.

(j) Activity Restrictions. For so long as Holder holds this Warrant or any Warrant Shares, Holder will not: (i) engage or participate in any actions, plans or proposals which relate to or would result in (a) acquiring additional securities of the Company, alone or together with any other Person, which would result in beneficially owning or controlling, or being deemed to beneficially own or control, more than 9.9% of the total outstanding Ordinary Shares or other voting securities of the Company, (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Company, (c) a sale or transfer of a material amount of assets of the Company, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board, (e) any material change in the present capitalization or dividend policy of the Company, (f) any other material change in the Company's business or corporate structure, including but not limited to, if the Company is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940, (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any Person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act, or (j) any action, intention, plan or arrangement similar to any of those enumerated above, or (ii) request the Company or its directors, officers, employees, agents or representatives to amend or waive any provision of this Section 1(i); provided, however, that notwithstanding anything to the contrary contain in clauses (i) and (ii) above, Holder may vote any Ordinary Shares owned or controlled by it, solicit any proxies, or seek to advise or influence any Person with respect to any voting securities of the Company. Holder may only exercise this Warrant for a cash exercise price if the trading price at the time of exercise is greater than the then applicable Exercise Price.

2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Stock Dividends and Splits. Without limiting any provision of Section 4, if the Company, at any time on or after the date of the Securities Purchase Agreement, (i) pays a stock dividend on one or more classes of its then outstanding Ordinary Shares or otherwise makes a distribution on any class of capital stock that is payable in Ordinary Shares, (ii) subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its then outstanding Ordinary Shares into a larger number of shares or (iii) combines (by combination, reverse stock split or otherwise) one or more classes of its then outstanding Ordinary Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares outstanding immediately before such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event.

(b) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) or (b) of this Section 2, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein). In addition, and notwithstanding anything to the contrary contained herein, upon a Cashless Exercise as set forth in Section 1(d) hereof, the number of Warrant Shares for which this Warrant is exercisable immediately following such Cashless Exercise shall be equal to (i) the number of Warrant Shares for which this Warrant was exercisable immediately prior to such Cashless Exercise less (ii) the number of Warrant Shares as to which such Cashless Exercise was exercised (such number of Warrant Shares in this clause (ii) in respect of such Cashless Exercise being equal to "A" in such Cashless Exercise formula in respect of such Cashless Exercise) and the number of such Warrant Shares issuable hereunder shall automatically be adjusted, as necessary, to enable to the Company to comply with its obligations to issue the Net Number of Ordinary Shares under Section 1(d) hereof upon any Cashless Exercise hereunder.

(c) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest $1/10000^{th}$ of cent and the nearest $1/100^{th}$ of a share, as applicable. The number of Ordinary Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Ordinary Shares.

(d) Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 2 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 2(d) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 2, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

(e) Automatic Exercise of Warrants. Immediately prior to the consummation of the Business Combination, this Warrant shall automatically be exercised pursuant to a Cashless Exercise as provided in Section 1(d)(i)(A).

3. RIGHTS UPON DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 2 above, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, indebtedness, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, other than a distribution of Ordinary Shares covered by Section 2(a)) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, provision shall be made so that upon exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distributions would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or the beneficial ownership of any such Ordinary Shares as a result of such Distribution to such extent) and such Distribution to such extent shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

4. PURCHASE RIGHTS; FUNDAMENTAL TRANSACTIONS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 2 above, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage).

(b) Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents related to this Warrant in accordance with the provisions of this Section 4(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder, including agreements confirming the obligations of the Successor Entity as set forth in this paragraph (b) and (c) and elsewhere in this Warrant and an obligation to deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, which is exercisable for a corresponding number of shares of capital stock equivalent to the Ordinary Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Ordinary Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such adjustments to the number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction). Notwithstanding the foregoing, at the election of the Holder upon exercise of this Warrant following a Fundamental Transaction, the Successor Entity shall deliver to the Holder, in lieu of the Ordinary Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 3 and 4(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of common stock (or its equivalent) of the Successor Entity (including its Parent Entity), or other securities, cash, assets or other property, which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(f).

(c) Black Scholes Value – FT. Notwithstanding the foregoing and the provisions of Section 4(b) above, at the request of the Holder delivered at any time commencing on the earliest to occur of (i) the public disclosure of any Fundamental Transaction, (ii) the consummation of any Fundamental Transaction and (iii) the Holder first becoming aware of any Fundamental Transaction through the date that is ninety (90) days after the public disclosure of the consummation of such Fundamental Transaction by the Company pursuant to a Current Report on Form 6-K filed with the SEC, the Company or the Successor Entity, at the election of the Holder, shall purchase this Warrant from the Holder on the date of the consummation of such Fundamental Transaction by paying to the Holder cash in an amount equal to the Black Scholes Value – FT.

(d) Application. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied as if this Warrant (and any such subsequent warrants issued hereunder) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage, applied however with respect to shares of capital stock registered under the Exchange Act and thereafter receivable upon exercise of this Warrant (or any such other warrant)).

5. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its certificate of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Ordinary Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Ordinary Shares upon the exercise of this Warrant, and (iii) shall, so long as any of the SPA Warrants are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Ordinary Shares, solely for the purpose of effecting the exercise of the SPA Warrants, the maximum number of Ordinary Shares as shall from time to time be necessary to effect the exercise of the SPA Warrants then outstanding; provided, however, that such amount of reserved Ordinary Shares shall be limited by the Maximum Percentage of Ordinary Shares as set forth in Section 1(f).

6. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

7. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, provide to the Company an opinion of counsel selected by the Holder and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred securities under the Securities Act.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Ordinary Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of Ordinary Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 5.4 of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) as soon as practicable upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s) and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Ordinary Shares, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities, indebtedness, or other property pro rata to holders of Ordinary Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information (to the extent it constitutes, or contains, material, non-public information regarding the Company shall be made known to the public prior to or in conjunction with such notice being provided to the Holder and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. To the extent that any notice provided hereunder (whether under this Section 8 or otherwise) constitutes, or contains, material, non-public information regarding the Company, the Company shall simultaneously file such notice with the Commission (as defined in the Securities Purchase Agreement) pursuant to a Current Report on Form 6-K. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(f)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder. The Holder shall be entitled, at its option, to the benefit of any amendment of any other similar warrant issued under the Securities Purchase Agreement. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. GOVERNING LAW. This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. DISPUTE RESOLUTION. In the case of a dispute as to the determination of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value or the arithmetic calculation of the Warrant Shares (as the case may be), the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations (as the case may be) via facsimile (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after the Holder or the Company (as the case may be) learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation (as the case may be) of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value or the number of Warrant Shares (as the case may be) within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder (as the case may be), then the Company shall, within two (2) Business Days submit via facsimile (a) the disputed arithmetic calculation of the Warrant Shares, the disputed determination of the Exercise Price, the Closing Sale Price, the Closing Bid Price, the Bid Price or fair market value (as the case may be) to an independent, reputable investment bank selected by the Holder, with the consent of the Company (which may not be unreasonably withheld, conditioned or delayed), or (b) if acceptable to the Holder, the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant (as the case may be) to perform the determinations or calculations (as the case may be) and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations (as the case may be). Such investment bank's or accountant's determination or calculation (as the case may be) shall be binding upon all parties absent demonstrable error.

14. REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

15. TRANSFER. This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company.

16. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Bid Price**" means, for any security as of the particular time of determination, the bid price for such security on the Principal Market as reported by Bloomberg as of such time of determination, or, if the Principal Market is not the principal securities exchange or trading market for such security, the bid price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg as of such time of determination, or if the foregoing does not apply, the bid price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg as of such time of determination, or, if no bid price is reported for such security by Bloomberg as of such time of determination, the average of the bid prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC) as of such time of determination. If the Bid Price cannot be calculated for a security as of the particular time of determination on any of the foregoing bases, the Bid Price of such security as of such time of determination shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein occurring during the period of determination or thereafter.

(b) "**Black Scholes Value**" means the Black Scholes value of an option for one Ordinary Share at the date of the applicable Cashless Exercise, as such Black Scholes value is determined, calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to $0.701 (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein), (ii) a risk-free interest rate corresponding to the U.S. Treasury rate, (iii) a strike price equal to the Exercise Price in effect at the time of the applicable Cashless Exercise, (iv) an expected volatility equal to 135%, and (v) a deemed remaining term of the Warrant of five (5) years (regardless of the actual remaining term of the Warrant).

(c) "**Black Scholes Value – FT**" means the value of the unexercised portion of this Warrant remaining on the date of the Holder's request pursuant to Section 4(c), which value is calculated using the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg utilizing (i) an underlying price per share equal to the greater of (A) the highest Closing Sale Price of the Ordinary Shares during the period beginning on the Trading Day immediately preceding the earliest to occur of (1) the public disclosure of the applicable Fundamental Transaction, (2) the consummation of the applicable Fundamental Transaction and (3) the date on which the Holder first became aware of the applicable Fundamental Transaction and ending on the Trading Day of the Holder's request pursuant to Section 4(c) and (B) the sum of the price per share being offered in cash in the applicable Fundamental Transaction (if any) plus the value of the non-cash consideration being offered in the applicable Fundamental Transaction (if any), (ii) a strike price equal to the Exercise Price in effect on the date of the Holder's request pursuant to Section 4(c), (iii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the greater of (A) the remaining term of this Warrant as of the date of the Holder's request pursuant to Section 4(c) and (B) the remaining term of this Warrant as of the date of consummation of the applicable Fundamental Transaction or as of the date of the Holder's request pursuant to Section 4(c) if such request is prior to the date of the consummation of the applicable Fundamental Transaction and (iv) an expected volatility equal to the greater of 135% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the earliest to occur of (A) the public disclosure of the applicable Fundamental Transaction, (B) the consummation of the applicable Fundamental Transaction and (C) the date on which the Holder first became aware of the applicable Fundamental Transaction. All share and price per share determinations shall be appropriately adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein occurring during the period of determination or thereafter.

(d) "**Bloomberg**" means Bloomberg, L.P.

(e) "**Business Combination**" means the consolidation, merger, spin-off, corporate reorganization or any other similar transaction involving the Company and Cenntro Automotive Group Limited, a Cayman Island company limited by shares, in which the Company shall be the surviving entity.

(f) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in New York, New York, Sydney, Australia or Auckland, New Zealand are authorized or required by law to remain closed.

(g) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and the last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the average of the bid prices, or the ask prices, respectively, of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein occurring during the period of determination or thereafter.

(h) "**Convertible Securities**" means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any Ordinary Shares.

(i) "**Eligible Market**" means the New York Stock Exchange, the NYSE Amex, the Nasdaq Global Select Market, the Nasdaq Global Market or the Principal Market.

(j) "**Expiration Date**" means that is the earlier of: (i) the date that is [five (5)][5][one 1)][6] year(s) from the Issuance Date or (ii) the date that the Business Combination is completed and the securities received in exchange for the Ordinary Shares commence trading on the Principal Market, or, if the Principal Market is not the principal trading market for such securities, then on the principal securities exchange or securities market on which such securities are then traded or, if either such date falls on a day other than a Business Day or on which trading does not take place on the Principal Market (a "**Holiday**"), the next date that is not a Holiday.

[5] Five-Year Warrant.

[6] One-Year Warrant.

(k) "**Fundamental Transaction**" means that (i) the Company shall, directly or indirectly, in one or more related transactions, (1) consolidate or merge with or into (whether or not the Company is the surviving entity) any other Person unless the shareholders of the Company immediately prior to such consolidation or merger continue to hold more than 50% of the outstanding shares of Voting Stock after such consolidation or merger, or (2) sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets to any other Person, in connection with which the Company is dissolved, or (3) allow any other Person to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), or (4) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other Person whereby such other Person acquires more than 50% of the outstanding shares of Voting Stock of the Company (not including any shares of Voting Stock of the Company held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), or (ii) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Voting Stock of the Company; provided, however, that neither the Business Combination nor the other transactions contemplated by the agreements governing the Business Combination shall be deemed to be a Fundamental Transaction.

(l) "**Market Price**" means, as of any time of determination, the Closing Bid Price as of the last completed Trading Day immediately prior thereto.

(m) "**Options**" means any rights, warrants or options to subscribe for or purchase Ordinary Shares or Convertible Securities.

(n) "**Ordinary Shares**" means (i) the Company's ordinary shares, without par value, and (ii) any capital stock into which such ordinary shares of the Company shall have been changed or any share capital resulting from a reclassification of such ordinary shares.

(o) "**Parent Entity**" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(p) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(q) "**Principal Market**" means the Nasdaq Capital Market.

(r) "**Successor Entity**" means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(s) "**Trading Day**" means, as applicable, (x) with respect to all price determinations relating to the Ordinary Shares, any day on which the Ordinary Shares is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Ordinary Shares, then on the principal securities exchange or securities market on which the Ordinary Shares is then traded, provided that "Trading Day" shall not include any day on which the Ordinary Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Ordinary Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price determinations relating to the Ordinary Shares, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(t) "**Voting Stock**" of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

(u) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the three highest closing bid prices and the three lowest closing ask prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13. All such determinations shall be appropriately adjusted for any stock dividends, subdivisions, or combinations in the manner described in Section 2(a) herein occurring during the period of determination or thereafter.

[*signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Ordinary Shares to be duly executed as of the Issuance Date set out above.

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

EXHIBIT A

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE COMMON STOCK

NAKED BRAND GROUP LIMITED

The undersigned holder hereby exercises the right to purchase _____ of the Ordinary Shares ("**Warrant Shares**") of Naked Brand Group Limited, an Australian Company (the "**Company**"), evidenced by Warrant to Purchase Ordinary Shares No. _____ (the "**Warrant**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as:

_____ a "Cash Exercise" with respect to _____ Warrant Shares; and/or

_____ a "Cashless Exercise" with respect to _____ Warrant Shares.

In the event that the Holder has elected a Cashless Exercise with respect to some or all of the Warrant Shares, the Holder represents and warrants that _____ Ordinary Shares are to be delivered pursuant to such Cashless Exercise, as further specified in Annex A to this Exercise Notice.

2. Payment of Exercise Price. In the event that the Holder has elected a Cash Exercise with respect to some or all of the Warrant Shares, the Holder shall pay the Aggregate Exercise Price in the sum of $_____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares and Net Number of Ordinary Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Ordinary Shares in respect of the exercise contemplated hereby. Delivery shall be made to Holder, or for its benefit, to the following address:

_____
_____
_____
_____

Date: _____ ____, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

Account Number:_____
(if electronic book entry transfer)

Transaction Code Number:_____
(if electronic book entry transfer)

ANNEX A TO EXERCISE NOTICE

CASHLESS EXERCISE EXCHANGE CALCULATION

TO BE FILLED IN BY THE REGISTERED HOLDER TO EXCHANGE THE WARRANT TO PURCHASE ORDINARY SHARES IN A CASHLESS EXERCISE PURSUANT TO SECTION 1(d) OF THE WARRANT

Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

[ ] Net Number = (A x B)/C = _____ Ordinary Shares

OR

[ ] Net Number = (C - D) x A / C

For purposes of the foregoing formula:

A= the total number of shares with respect to which the Warrant is then being exercised = _____.

B= Black Scholes Value (as defined in Section 16 of the Warrant) = _____.

C= the Closing Bid Price of the Ordinary Shares as of two (2) Trading Days prior to the time of such exercise (as such Closing Bid Price is defined in Section 16 of the Warrant) = _____.

D= the Exercise Price, as adjusted hereunder = _____.

Date: _____ ____, _____

_____
Name of Registered Holder

By: _____
Name:
Title:

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Exercise Notice and hereby directs _____ to issue the above indicated number of Ordinary Shares in accordance with the Transfer Agent Instructions dated _____, 20__, from the Company and acknowledged and agreed to by _____.

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

Exhibit 5.1

Mills Oakley
ABN: 51 493 069 734

8 November 2021 (Sydney, Australia time)

Our ref: DDSS/JYKS/3533854

The Directors
Naked Brand Group Limited
Level 61, MLC Centre
25 Martin Place, Sydney
NSW 2000 Australia

All correspondence to:
PO Box H316
AUSTRALIA SQUARE NSW 1215
DX 13025 Sydney Market Street

Contact
Danny Simmons +61 2 9121 9073
Email: dsimmons@millsoakley.com.au

Partner
Danny Simmons +61 2 9121 9073
Email: dsimmons@millsoakley.com.au

Dear Sirs

Naked Brand Group Limited

1. Our role

We have been requested to provide an Australian legal opinion in respect to the proposed issue by Naked Brand Group Limited (ACN 619 054 938) (**Company**) of ordinary shares having an aggregate offering price of up to US$300,000,000 (**Shares**) in accordance with the Company's Form 6-K (**Form 6-K**) to be filed by the Company with the United States Securities and Exchange Commission (**SEC**) pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934.

The ATM Offering (as defined in the Form 6-K) is made pursuant to the Company's existing shelf registration statement on Form F-3 (Registration No. 333-256258) (**Registration Statement**), which was filed with the SEC on May 18, 2021, which became effective automatically upon filing, and a prospectus supplement for the offer and sale of the Shares in the at-the-market offering to be filed with the SEC on 8 November 2021 (**Prospectus Supplement**).

2. Documents

We have examined and relied on copies, drafts or conformed copies of the following documents:

(a) a draft form of the Form 6-K (excluding exhibits);

(b) a draft of the Equity Distribution Agreement (as defined in the Form 6-K);

(c) a draft form of the Prospectus Supplement (excluding exhibits);

(d) a current company extract obtained as at 08:11am AEDT on 8 November 2021, from the records of the Company which are available to the public on a database maintained by the Australian Securities and Investments Commission (**ASIC**);

(e) the Certificate of Registration dated 11 May 2017, which certifies that the Company is a registered company under the *Corporations Act 2001* (Cth) (**Corporations Act**) and is taken to be registered in the State of New South Wales in Australia;

(f) the Certificate of Registration on Change of Name dated 13 June 2018, which certifies that the Company changed its name to Naked Brand Group Limited on the date of such certificate;

(g) the Constitution of the Company (**Constitution**);

(h) a special resolution of the sole shareholder of the Company dated 19 June 2018 whereby the Company adopted the Constitution; and

(i) such corporate documents and records of the Company and such other instruments, certificates and documents as we have deemed necessary or appropriate as a basis for the opinions hereinafter expressed.

3. Opinion

On the basis of the assumptions, qualifications and terms set out in this opinion, we are of the opinion that:

(a) (**Incorporation**) the Company is a corporation incorporated and existing under the laws of the Commonwealth of Australia, taken to be registered in New South Wales and is capable of suing and being sued in its corporate name; and

(b) (**Shares validly issued**) when the Shares are issued, sold and paid for as contemplated in the Form 6-K, Equity Distribution Agreement and Prospectus Supplement and in accordance with the Constitution, and are registered in the Register of Members of the Company, the Shares will be validly issued and fully paid.

4. Assumptions

We have assumed without investigation:

(a) the authenticity of all signatures, seals, duty stamps and markings;

(b) the completeness, and conformity to originals, of all non-original or incomplete documents submitted to us;

(c) the board of directors of the Company will approve the allotment and issue of the Shares in accordance with the Constitution and the Corporations Act and such shares will otherwise be issued in compliance with the Constitution and the Corporations Act;

(d) upon issue, each holder of the Shares will have fully paid the amount payable to the Company for their Shares;

(e) that any document recording the authorisation of the transactions contemplated by the Form 6-K, Equity Distribution Agreement and Prospectus Supplement including the issue of the Shares, is a true, complete and accurate record of an authorisation which is valid in all respects;

(f) that all authorisations, approvals or licences required under any law (including any Relevant Law (as defined below)) for any party (other than the Company) to enter into or to perform any of its obligations under a transaction contemplated by the Form 6-K, Equity Distribution Agreement and Prospectus Supplement have been obtained, remain valid and subsisting and have been complied with;

(g) that no law or official directive of any jurisdiction, other than a Relevant Jurisdiction (as defined below), affects any of the opinions expressed;

(h) that the implementation of the transactions or matters contemplated by the Form 6-K, Equity Distribution Agreement and Prospectus Supplement will not involve an illegal or improper purpose under any law, including any Relevant Law (as defined below);

(i) upon issue, the Shares will be, duly registered, and will continue to be registered, in the Company's Register of Members;

(j) the details revealed by our search of public registers maintained by governmental or other regulatory authorities are true and correct and up to date at the date of our search and have been properly and accurately recorded in those registers by those authorities. We note that ASIC expressly disclaims any liability arising from the use of its service;

(k) that the Form 6-K, Equity Distribution Agreement and Prospectus Supplement have not been amended in any material respect to the draft provided to us and that these were duly filed with the SEC;

(l) insofar as any obligation under any document examined is to be performed in any jurisdiction other than a Relevant Jurisdiction (as defined below), its performance will not be illegal or unenforceable under the law of that jurisdiction; and

(m) that the formalities for execution required by the law of the place of execution of each document examined have or will be complied with.

5. Qualifications

This opinion is subject to the following qualifications:

(a) this opinion is given only in respect to the laws of the Commonwealth of Australia in force as at 9:00am (AEDT) on the date of this opinion (**Relevant Jurisdiction**); and

(b) we express no opinion as to:

(i) the laws of any jurisdictions other than the laws of the Relevant Jurisdiction (**Relevant Law**);

(ii) the implications of any pending or foreshadowed legislative amendment or proposal in the Relevant Jurisdiction;

(iii) factual or commercial matters; or

(iv) taxation, including the effect of any Relevant Laws relating to taxation (including, without limitation, the imposition or payment of any stamp duty in connection with the transactions contemplated in the Form 6-K, Equity Distribution Agreement and Prospectus Supplement).

6. Benefit and reliance

(a) This opinion is issued to the Company only for the Company's sole benefit and may not, without our prior written consent, be:

(i) used or relied on by another person or used or relied upon for any other purpose. We expressly exclude any duty to any person other than the addressee in relation to this opinion, unless otherwise agreed by us in writing;

(ii) transmitted or disclosed to another person, except:

(A) to persons who in the ordinary course of the Company's business have access to the Company's papers and records on the basis that they will make no further disclosure;

(B) if required by law or in accordance with an official directive; or

(C) in connection with any litigation in relation to the documents mentioned in this document; or

(iii) filed with a government or other agency or quoted or referred to in a public document.

(b) This opinion is strictly limited to the matters stated in it and does not apply by implication to other matters.

(c) No assumption or qualification in this opinion limits any other assumption or qualification in it.

(d) We have not provided, and are not required to provide, advice on the legal effect of any of the assumptions or qualifications in this opinion. Persons entitled to rely on this opinion should obtain their own legal advice on the effect, completeness and extent of application of those assumptions and qualifications.

This opinion is governed by the laws of New South Wales, Australia. We are under, and assume, no obligation to inform you of, or advise you on, any future changes to these or any other laws.

We hereby consent to the use of this opinion as an exhibit to the Form 6-K, which is incorporated by reference into the Registration Statement, and to the use of our name as your counsel, and to all references made to us in the Registration Statement and Prospectus Supplement. In giving this consent, we do not hereby admit that we are "experts" within the meaning of the U.S. Securities Act of 1933 or the rules and regulations of the SEC promulgated thereunder with respect to any part of the Registration Statement.

Yours sincerely

DANIEL SIMMONS
PARTNER

Exhibit 10.1

STOCK PURCHASE AGREEMENT
BY AND AMONG
NAKED BRAND GROUP LIMITED,
CENNTRO AUTOMOTIVE GROUP LIMITED (A CAYMAN ISLANDS COMPANY),
CENNTRO AUTOMOTIVE GROUP LIMITED (A HONG KONG COMPANY),
CENNTRO AUTOMOTIVE CORPORATION,
AND
CENNTRO ELECTRIC GROUP, INC.
DATED AS OF NOVEMBER 5, 2021

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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT, dated as of November 5, 2021 (this "Agreement"), is by and among Naked Brand Group Limited (ACN 619 054 938), an Australian company ("Parent"), Cenntro Automotive Group Limited, a Cayman Islands company limited by shares ("CAG"), Cenntro Automotive Group Limited, a Hong Kong private company limited by shares and a wholly owned subsidiary of CAG ("CAG HK"), Cenntro Automotive Corporation, a Delaware corporation and a wholly owned subsidiary of CAG ("CAC"), and Cenntro Electric Group, Inc., a Delaware corporation and a wholly owned subsidiary of CAG ("CEG").

Each of CAG HK, CAC, and CEG shall be referred to herein, individually, as a "Company" and, collectively, as the "Companies." Each of Parent, CAG, and the Companies shall be referred to herein, individually, as a "Party" and, collectively, as the "Parties." Except as otherwise indicated, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Section 9.04.

RECITALS

WHEREAS, CAG owns (i) all of the issued and outstanding ordinary shares of CAG HK (the "CAG HK Shares"), (ii) all of the issued and outstanding shares of common stock, par value $0.001 per share, of CAC (the "CAC Shares"), and (iii) all of the issued and outstanding shares of common stock, par value $0.01 per share, of CEG (the "CEG Shares" and, together with the CAG HK Shares and the CAC Shares, the "Company Shares");

WHEREAS, CAG wishes to sell to Parent, and Parent wishes to purchase from CAG, the Company Shares, in exchange for fully paid ordinary shares of Parent (the "Parent Shares"), on the terms and subject to the conditions set forth herein (the "Acquisition");

WHEREAS, the boards of directors of Parent, CAG, and each Company have determined that the Acquisition is fair to, and in the best interests of, their respective companies and their respective stockholders;

WHEREAS, the Parties intend that the Acquisition, together with the actions set forth on Schedule 1, will qualify as a "reorganization" within the meaning of Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and this Agreement is hereby adopted as a "plan of reorganization" within the meaning of Section 368 of the Code; and

WHEREAS, the offer and sale of the Parent Shares is exempt from registration under the Securities Act pursuant to Section 4(a)(2) thereof and Regulations D and S thereunder.

NOW, THEREFORE, in consideration of the covenants, promises, and representations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
THE ACQUISITION

1.01 The Purchase and Sale. On the terms and subject to the conditions set forth herein, at the Closing (as defined below), CAG shall sell to Parent, and Parent shall purchase from CAG, the Company Shares, free and clear of all Liens, other than (a) Liens securing the Parent Loan and (b) transfer restrictions under applicable securities laws and the Charter Documents of the Companies, for the aggregate purchase price specified in Section 1.02. Solely for the purpose of submission to the Stamp Office of the Inland Revenue Department of Hong Kong for adjudication pursuant to Section 1.14, CAG and Parent shall enter into a local sale and purchase agreement in form set forth in Exhibit A, in relation to the CAG HK Shares in favor of Parent, which shall reflect the allocation of a percentage (to be determined and mutually agreed between the Parties) of the Acquisition Shares to the purchase price of the CAG HK Shares (the "Local Sale and Purchase Agreement"). For the avoidance of doubt, in the event of inconsistency or conflict, the terms of this Agreement shall take precedence over the Local Sale and Purchase Agreement.

1.02 Purchase Price. The aggregate purchase price for the Company Shares shall be an aggregate number of Parent Shares equal to the Acquisition Share Pool *less* the Converted Option Acquisition Shares (the "Acquisition Shares"). An example of the calculation of the number of Acquisition Shares, based on the Fully Diluted CAG Shares Outstanding and the Fully Diluted Parent Shares Outstanding, and the Exchange Ratio, in each case, as of the date hereof, is set forth on Schedule A-1 attached hereto, solely for illustrative purposes (the "Sample Calculation").

1.03 Acquisition Share Calculation. On or prior to five (5) Business Days prior to the Closing Date, CAG shall deliver to Parent a certificate, duly executed by the chief financial officer of CAG, setting forth, in reasonable detail, the number of Fully Diluted CAG Shares Outstanding and the number of Liquidation Preference Acquisition Shares to be distributed in the Distribution. On or prior to four (4) Business Days prior to the Closing Date, Parent shall deliver to CAG a certificate, duly executed by the chief financial officer of Parent, setting forth, in reasonable detail, (x) the number of Fully Diluted Parent Shares Outstanding immediately prior to the Closing and (y) Parent's calculation of the Acquisition Shares and the Exchange Ratio in accordance with the terms of this Agreement, together with reasonably detailed supporting evidence of the calculation of the amounts reflected therein (the "Parent Closing Statement"). Parent's calculation of the number of Acquisition Shares and the Exchange Ratio included in the Parent Closing Statement shall be prepared on a basis consistent with the Sample Calculation. CAG shall have the right to review and comment on the Parent Closing Statement, and shall return the proposed calculation with comments, if any, to Parent, no later than three (3) Business Days prior to the Closing. Parent shall make changes to the proposed calculations in the Parent Closing Statement as reasonably requested by CAG and in accordance with the terms of this Section 1.03 and the Sample Calculation, and CAG and Parent shall work in good faith to resolve any such comments within one (1) Business Day before the Closing. All negotiations pursuant to this Section 1.03 shall be treated as compromise and settlement negotiations for purposes of Rule 408 of the Federal Rules of Evidence and comparable state rules of evidence. Any comments to the Parent Closing Statement remaining in dispute at the conclusion of such period shall be submitted to final and binding arbitration and the Closing shall be delayed until the Parties have received the final judgment of the arbitrator or the Parties otherwise mutually agree. The arbitration shall be conducted according to the Commercial Arbitration Rules of the American Arbitration Association. The place of arbitration shall be New York, New York or such other place as may be agreed upon by the Parties. The Parties shall attempt to agree upon one arbitrator, but if they are unable to agree, each shall appoint an arbitrator and these two shall appoint a third arbitrator. All submissions of documents or information to the arbitrator(s) shall be in writing and the Party making such submission shall concurrently deliver a copy thereof to the other Party. The arbitrator(s) shall make a written determination as to the number of Acquisition Shares and/or the Exchange Ratio. CAG and Parent shall use their commercially reasonable efforts to cause the arbitrator(s) to render a written decision resolving the matters submitted to it as soon as practicable following the submission thereof. The arbitrator(s) shall consider only those items and amounts in CAG's and Parent's respective calculations of the number of Acquisition Shares and/or the Exchange Ratio that are identified as being items and amounts to which CAG and Parent have been unable to agree as provided above. The scope of the disputes to be resolved by the arbitrator(s) shall be limited to correcting mathematical errors and determining whether the disputed items were determined in accordance with this Agreement and the Sample Calculation, and the arbitrator(s) is not to make any other determination. Expenses of the arbitrator(s) shall be divided equally between the Parties. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, and shall be enforceable against the Parties in accordance with the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards, as amended. The Parent Closing Statement, as finally determined in accordance with this Section 1.03, shall be the "Closing Statement." CAG and Parent shall be entitled to rely on the information set forth in the Closing Statement, as finally determined in accordance with this Section 1.03.

1.04 Closing. Unless this Agreement shall have been terminated pursuant to Section 8.01, the consummation of the Acquisition (the "Closing") shall take place remotely by the electronic exchange of documents and signatures at a time to be agreed upon by CAG and Parent on the third (3rd) Business Day after the satisfaction or waiver (to the extent the same may be waived) of the conditions set forth in ARTICLE VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, if permissible, waiver of such conditions at the Closing) or at such other time, date, and location as the Parties agree in writing (the "Closing Date").

1.05 Deliveries; Determination of Purchase Price.

(a) At the Closing, Parent shall:

(i) deliver to CAG a certificate, duly executed by the chief financial officer of Parent, confirming the information set forth in the Closing Statement, as finally determined by the Parties and, if applicable, the arbitrator(s), pursuant to Section 1.03;

(ii) deliver to CAG a copy of irrevocable instructions to Parent's transfer agent or share registry for the issuance of the Acquisition Shares as set forth in the Closing Statement, in book-entry form, registered in the name of CAG, and cause the transfer agent to issue the Acquisition Shares to CAG, free and clear of all Liens, other than transfer restrictions under applicable securities laws;

(iii) pay any documented and unpaid transaction expenses incurred on behalf of CAG, the Companies, or Parent, by wire transfer of immediately available funds to the accounts and in the amounts specified and agreed to by the Parties in writing at least three (3) Business Days prior to the Closing Date;

(iv) deliver to CAG (i) a duly executed counterpart of the Local Sale and Purchase Agreement, and (ii) the instrument of transfer and bought note (in a form complying with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)) in respect of the CAG HK Shares, duly executed by Parent;

(v) deliver to CAG the certificates and other agreements and instruments contemplated by ARTICLE VII and the other provisions of this Agreement; and

(vi) deliver to CAG a duly executed counterpart of the relationship agreement, effective at and following the Closing (the "Relationship Agreement"), by and among Parent and each of Peter Wang, Cenntro Enterprise Limited, a Hong Kong private company limited by shares and ultimately owned by Peter Wang, and Trendway Capital Limited, a Hong Kong private company limited by shares and ultimately owned by Peter Wang (together, the "Wang Parties"), in the form set forth as Exhibit B, acting reasonably, pursuant to which Parent grants to the Wang Parties the right to appoint four (4) nominee directors to the board of directors of Parent so long as the Wang Parties collectively hold 10% of the voting power of the Parent Shares.

(b) At the Closing, CAG shall:

(i) deliver to Parent a certificate, duly executed by the chief financial officer of CAG, confirming the information set forth in the Closing Statement, as finally determined by the Parties and, if applicable, the arbitrator(s), pursuant to Section 1.03;

(ii) deliver to Parent certificates evidencing the Company Shares (other than the CAG HK Shares), free and clear of all Liens, other than (A) Liens securing the Parent Loan and (B) transfer restrictions under applicable securities laws and the Charter Documents of the Companies, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank, with all required stock transfer tax stamps affixed thereto;

(iii) deliver to Parent: (A) a duly executed counterpart of the Local Sale and Purchase Agreement, (B) the instrument of transfer and sold note (in a form complying with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)), duly executed by CAG, in favor of Parent, (C) certificates evidencing the CAG HK Shares, in the name of CAG, (D) an irrevocable power of attorney in favor of Parent, which enables Parent or its nominee to attend and vote at general meetings of CAG HK pending registration of the transfer of the CAG HK Shares in CAG HK's register of members, and (E) a certified copy of the board resolutions of CAG HK approving the transfer of the CAG HK Shares in accordance with this Agreement and that such transfer be registered in CAG HK's register of members;

(iv) deliver to Parent the certificates and other agreements and instruments contemplated by ARTICLE VII and the other provisions of this Agreement; and

(v) deliver to Parent one or more counterparts of the Relationship Agreement duly executed by each of the Wang Parties.

(c) In no event shall the Acquisition Shares issued pursuant to ARTICLE I and the Converted Option Acquisition Shares collectively exceed the Acquisition Share Pool.

1.06 CAG Options.

(a) On the terms and subject to the conditions of this Agreement, at the Closing Date, by virtue of the Acquisition and this Agreement and without any further action on the part of Parent, CAG, the Companies or the holders of the CAG Options, each CAG Option outstanding immediately prior to the Closing, whether vested or unvested, shall be converted (as converted, a "Converted CAG Option") into an option exercisable for that number of Parent Shares equal to the product of (A) the aggregate number of CAG Shares for which such CAG Option was exercisable immediately prior to the Closing, *multiplied by* (B) the Exchange Ratio (rounded down to the nearest whole number of Parent Shares). The exercise price per Parent Share of such Converted CAG Option shall be adjusted so that it is equal to the quotient of (x) the exercise price per share of such CAG Option immediately prior to the Closing, *divided by* (y) the Exchange Ratio (rounded up to the nearest cent); provided, however, that the exercise price and the number of Parent Shares purchasable pursuant to a Converted CAG Option shall be determined in a manner consistent with the requirements of Section 409A of the Code and foreign legal requirements. Upon the conversion pursuant to this Section 1.06(a), each Converted CAG Option shall continue to be governed by the same terms and conditions (including vesting and exercisability terms) set forth in the CAG Equity Plan and the award agreement pursuant to which the corresponding CAG Option was granted, as in effect immediately prior to the Closing, except (i) as otherwise provided in this Section 1.06(a) or Section 1.06(b) and (ii) that exercise of the Converted CAG Options shall be subject to Chapter 6 of the Australian Corporations Act and to the provisions of FATA.

(b) Effective as of the Closing Date, Parent shall (A) replace the CAG Options that are outstanding as of the Closing Date by way of the issuance of the Converted CAG Options in accordance with the terms of this Section 1.06 and (B) for the purpose of complying with this Section 1.06, assume sponsorship of the CAG Equity Plan; provided that references to the Company therein shall thereupon be deemed references to Parent and references to CAG Shares therein shall be deemed references to Parent Shares, with appropriate equitable adjustments to reflect the transaction contemplated by this Agreement. Prior to the Closing Date, the Company shall deliver written notice to each holder of a CAG Option informing such holder of the effect of the Acquisition on the CAG Options, which shall also provide that no Converted CAG Option shall be exercisable between the Closing Date and the date that the Parent Shares issuable upon exercise of the Converted CAG Options have been registered with the SEC on Form S-8.

(c) Prior to the Closing Date, CAG shall take all actions necessary or appropriate to effectuate the treatment of the CAG Options contemplated by this Section 1.06.

(d) Parent shall take all actions that are necessary for the replacement of the CAG Options by way of the issuance of the Converted CAG Options pursuant to this Section 1.06, including the issuance and listing of the Parent Shares issuable upon exercise of the Converted CAG Options and seeking any necessary regulatory or stockholder approvals, as necessary to effect the transactions contemplated by this Section 1.06. Parent shall file with the SEC as soon as practicable following the Closing Date a registration statement on Form S-8 with respect to such Parent Shares, and shall use its reasonable best efforts to maintain the effectiveness of such registration statement for so long as the applicable CAG Equity Plan remains in effect and such registration of the Parent Shares issuable thereunder continues to be required.

1.07 Required Withholding. Parent shall be entitled to deduct and withhold (or cause to be deducted and withheld) from any consideration payable or otherwise deliverable pursuant to this Agreement such amounts as are required to be deducted or withheld therefrom under the Code or under any provision of state, local, or foreign Tax Law, and to request and be provided any necessary Tax forms, including IRS Form W-9 or the appropriate version of IRS Form W-8, as applicable, or any similar information. Parent shall provide notice of any withholding that it intends to make (or cause to be made) in connection with consideration payable or otherwise deliverable pursuant to this Agreement (other than any withholding required in connection with amounts properly treated as compensation for applicable Tax purposes) at least five (5) Business Days prior to the date of the relevant payment, and the Parties shall (and shall cause their Affiliates to) cooperate to minimize or eliminate any potential withholding. To the extent such amounts are so deducted or withheld consistent with the terms of this Section 1.07, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

1.08 Tax Consequences. It is intended by the Parties that the Acquisition, together with the actions set forth on Schedule 1, shall constitute a "reorganization" within the meaning of Section 368(a) of the Code. The Parties adopt this Agreement as a "plan of reorganization" within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a).

1.09 Taking of Necessary Action; Further Action. If, at any time after the Closing, any further action is necessary or desirable to carry out the purposes of this Agreement or to fulfill the Parties' obligations under this Agreement and the other Transaction Documents, upon the terms and subject to the conditions set forth in this Agreement, the Parties will use, and will cause their directors and officers to use, their reasonable best efforts to take, or cause to be taken, all such lawful and necessary or desirable action and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things reasonably necessary, proper, desirable or advisable to carry out the purposes of this Agreement or to fulfill the Parties' obligations under this Agreement and the other Transaction Documents.

1.10 Support Agreements. Concurrently with the execution of this Agreement, the shareholders of CAG identified on Schedule B attached hereto (the "Supporting Shareholders") have entered into support agreements with Parent and CAG (the "Support Agreements"), pursuant to which each of the Supporting Shareholders has agreed to, among other things, vote all of the shares of capital stock of CAG beneficially owned by such Supporting Shareholder in favor of (or deliver a written consent to) the approval and authorization of this Agreement, the Acquisition and the other Transactions, subject to the terms and provisions of the Support Agreement. Concurrently with the execution of this Agreement, the shareholders of Parent identified on Schedule B attached hereto have delivered statements of intention to Parent, pursuant to which each such shareholder of Parent has stated its intention to, among other things, vote in favor of each of the Parent Shareholder Matters (as contemplated in Section 6.01(a)), absent a Parent Superior Proposal.

1.11 Parent Loan. Concurrent with the execution of this Agreement, the Companies have entered into a loan agreement with Parent, dated as of the date hereof, pursuant to which Parent has made a loan to the Companies in the aggregate principal amount of $30 million (the "Parent Loan"), with the aggregate principal amount of the Parent Loan and accrued and unpaid interest maturing on the date that is ninety (90) calendar days after the termination of this Agreement or, if the Closing occurs, ninety (90) calendar days after written demand for payment (the "Maturity Date"). Interest on the outstanding principal amount of the Parent Loan shall accrue at the rate of ten percent (10%) per annum, payable on the Maturity Date. The Parent Loan is secured by substantially all of the assets of the Companies, pursuant to the loan agreement.

1.12 Lockup Agreements. Prior to the Closing Date, the Parties will use reasonable best efforts to cause the shareholders of CAG and Parent identified on Schedule C attached hereto to agree in favor of Parent not to transfer the Parent Shares beneficially owned by them as of immediately after the Closing Date for a period of one hundred eighty (180) days from the Closing Date, subject to certain exceptions, which provisions will be set forth in a lock-up agreement in substantially the form of Exhibit C attached hereto. The book-entry positions evidencing the Acquisition Shares issued hereunder shall each include prominent disclosure or bear a prominent legend evidencing the fact that such shares are subject to such lock-up provisions described in this Section 1.12.

1.13 Distribution of Acquisition Shares. Promptly following the Closing Date, in connection with the deemed liquidation of CAG pursuant to CAG's Charter Documents (as defined below), CAG shall distribute the Acquisition Shares to the holders of the shares of CAG, in accordance with (i) CAG's Charter Documents, (ii) all applicable contractual obligations binding on CAG, (iii) all applicable Legal Requirements (the "Distribution"). Parent shall use its reasonable best efforts to assist CAG in the Distribution, including causing Parent's transfer agent to register the transfer of the Acquisition Shares from CAG to the holders of capital stock of CAG pursuant to the Distribution in book-entry form. An example of the calculation of the number of Acquisition Shares to be distributed to each holder of shares of CAG, as of the date hereof, is set forth on Schedule A-2 attached hereto. CAG shall promptly notify Parent upon any change in the holding of the shares of CAG prior to the Closing that would result in a material change in the allocation of the Acquisition Shares among such holders.

1.14 Stamp Duty for the CAG HK Shares. The Parties agree that the bought and sold notes and instruments of transfer in respect of the CAG HK Shares as contemplated pursuant to the terms of this Agreement shall be submitted to the Stamp Office of the Inland Revenue Department of Hong Kong for adjudication by Parent as soon as practicable after Closing (but in any event within 30 days after Closing). Each Party undertakes that it will promptly provide any further documentation (certified as being true copies, where so requested) that may be reasonably required in connection with the submission of the bought and sold notes and instruments of transfer in respect of the CAG HK Shares to the Stamp Office of the Inland Revenue Department of Hong Kong. Without limiting the foregoing, CAG HK shall provide (a) a copy of the articles of association of CAG HK, (b) a certified copy of the Local Sale and Purchase Agreement, (c) a statement on whether CAG HK has acquired any Hong Kong landed property, rights to acquire landed property or investments and, if so, with a completed schedule of the landed property in the form provided by the Stamp Office of the Inland Revenue Department of Hong Kong, (d) the Company Annual Financial Statements, (e) certified management accounts of CAG HK and each of its subsidiaries from incorporation of CAG HK or the latest date of the balance sheet in the Company Annual Financial Statements, in each case, as required by the Stamp Office of the Inland Revenue Department of Hong Kong, through a date falling within three (3) months before the date of Closing, (f) if CAG HK has issued additional shares after the date of its latest audited accounts, a certified copy of the return of allotments for the purposes of section 142(1) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) of CAG HK for increase of share capital, after the end date of the latest audited accounts, and (g) if CAG HK has declared any dividends after the latest audited accounts, a certified copy of the board resolutions of CAG HK for dividends paid or payable, after the end date of its latest audited accounts, specifying the date on which members of CAG HK were entitled to the dividend.

ARTICLE II
REPRESENTATIONS AND WARRANTIES REGARDING CAG

Subject to the exceptions set forth in Schedule 2 delivered by CAG and the Companies to Parent in connection with this Agreement (the "CAG Disclosure Schedule"), CAG hereby represents and warrants to Parent as follows:

2.01 Organization. CAG is a company duly incorporated, validly existing, and in good standing under the laws of the Cayman Islands.

2.02 Authority Relative to this Agreement. Subject to the CAG Shareholder Approval and Section 2.03(b), CAG has all necessary corporate power and authority to: (i) execute and deliver this Agreement and each Transaction Document that CAG has executed or delivered or is to execute or deliver in connection with this Agreement and (ii) perform CAG's obligations hereunder and thereunder and consummate the Transactions (including the Acquisition). The execution and delivery of this Agreement by CAG and the consummation by CAG of the Transactions (including the Acquisition) have been, or will be, duly and validly authorized by all necessary corporate action on the part of CAG (including, as of the date of this Agreement, approval by its board of directors and, prior to the Closing, approval by its shareholders if required by the Cayman Companies Act), and, other than the CAG Shareholder Approval, no other corporate proceedings on the part of CAG are necessary to authorize the execution and delivery of this Agreement or to consummate the Transactions. This Agreement has been duly and validly executed and delivered by CAG and, assuming the due authorization, execution, and delivery thereof by the other Parties, constitutes the legal and binding obligation of CAG, enforceable against CAG in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights generally and by general principles of equity.

2.03 No Conflict; Required Filings and Consents.

(a) Except as set forth in Schedule 2.03, the execution and delivery of this Agreement by CAG does not, and the consummation of the Transactions by CAG will not, (i) conflict with or violate the Charter Documents of CAG, (ii) conflict with or violate any Legal Requirements applicable to CAG or by which the Company Shares are bound or affected, (iii) result in the creation of a Lien on the Company Shares pursuant to any contract binding on CAG, assuming, in the case of clauses (ii) and (iii), that all consents, approvals, authorizations, permits, filings and notifications described in Section 2.03(b) have been made or obtained, and except, with respect to clauses (ii) and (iii), for any such conflicts, violations, or results that would not, individually or in the aggregate, prevent, materially delay the consummation of the Acquisition or any of the other Transactions.

(b) Assuming the truth and completeness of the representations and warranties of Parent contained in this Agreement, the execution and delivery of this Agreement by CAG do not, and the performance of this Agreement by CAG will not, require any consent, approval, or authorization of, or filing with or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of the Exchange Act, Securities Act, or any state securities or "blue sky" laws and the rules and regulations thereunder, (ii) compliance with and filings or notifications under any applicable requirements of the HSR Act, (iii) notification of no objection under FATA, and (iv) where the failure to obtain such consents, approvals, or authorizations, or to make such filings or notifications, would not, individually or in the aggregate, prevent, materially delay the consummation of the Acquisition or any of the other Transactions.

2.04 Capitalization. As of the date hereof, the authorized capital stock of CAG and the number of shares of capital stock of CAG outstanding is set forth on Schedule 2.04.

2.05 Ownership of Company Shares. CAG owns all of the Company Shares (legally and beneficially), free and clear of all Liens, other than (i) Liens securing the Parent Loan and (ii) transfer restrictions under applicable securities laws and the Charter Documents of the Companies or CAG. There are no outstanding subscriptions, options, warrants, calls, rights (including preemptive rights), pledges, commitments or agreements of any character to which CAG is a party or by which it is bound obligating CAG to sell, transfer, assign, pledge or otherwise transfer any shares of Company Capital Stock (as defined below) to any Person, or obligating CAG to enter into any such subscription, option, warrant, call, right, pledge, commitment or agreement with respect to any shares of Company Capital Stock.

2.06 Board Approval; Shareholders' Approval; Vote Required. As of the date of this Agreement, the board of directors of CAG, by resolutions duly adopted by unanimous vote of those directors voting at a meeting duly called and held and not subsequently rescinded or modified in any way, has duly (a) determined that this Agreement and the Acquisition are fair to and in the best interests of CAG and its shareholders, (b) approved this Agreement and the Acquisition and declared their advisability, and (c) recommended that the shareholders of CAG approve and authorize this Agreement, and the Acquisition and directed that this Agreement and the Acquisition be submitted for consideration to CAG's shareholders. The only corporate vote or consent necessary to approve this Agreement, the Acquisition and the Acquisition that has not been obtained is the CAG Shareholder Approval.

2.07 No Additional Representations and Warranties. Except as otherwise expressly provided in this ARTICLE II (as modified by the CAG Disclosure Schedule), none of CAG, its Affiliates, or their Representatives has made, or is making, any express or implied representation or warranty whatsoever with respect to CAG, its Affiliates, or any matter relating to any of them, including their affairs, the condition, value or quality of their assets, liabilities, financial condition or results of operations, or with respect to the accuracy or completeness of any information made available to Parent or any of its Affiliates or Representatives by, or on behalf of, CAG or the Companies (other than regarding the Companies and Company Subsidiaries as expressly provided in ARTICLE III), and any such representation or warranty is expressly disclaimed. Without limiting the generality of the foregoing, neither CAG nor any other person on behalf of CAG has made or makes any representation or warranty, whether express or implied, with respect to any projections, forecasts or estimates or budgets made available to Parent or any of its Affiliates or Representatives of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of CAG (including the reasonableness of the assumptions underlying any of the foregoing), whether or not included in any management presentation or in any other information made available to Parent or any of its Affiliates Representatives or any other Person, and any such representation or warranty is expressly disclaimed. CAG is not relying on any statement, representation or warranty, oral or written, express or implied, made by Parent or any of its Representatives, except as expressly set forth in ARTICLE IV (as modified by the Parent Disclosure Schedule and any Parent SEC Report).

ARTICLE III
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANIES

Subject to the exceptions set forth in Schedule 3 delivered by CAG and the Companies to Parent in connection with this Agreement (the "Company Disclosure Schedule"), CAG and the Companies hereby represent and warrant to Parent as follows:

3.01 Organization and Qualification. CAG HK is a company duly incorporated and validly existing under the laws of Hong Kong and has the requisite corporate power and authority to own, lease, and operate its assets and properties and to carry on its business as it is now being conducted. Each of CAC and CEG is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted. Complete and correct copies of the certificate of incorporation and by-laws (or other comparable governing instruments with different names, including, for the avoidance of doubt in the case of CAG and the Companies, any shareholders agreement or similar agreement) (collectively referred to herein as "Charter Documents") of the Companies, as amended and currently in effect, have been heretofore made available to Parent or Parent's counsel. Each of the Companies is duly qualified or licensed to do business as a foreign corporation and, to the extent such concept is recognized, is in good standing in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole. Each jurisdiction in which a Company is so qualified or licensed is listed in Schedule 3.01.

3.02 Subsidiaries.

(a) The Companies have no direct or indirect subsidiaries, other than those listed in Schedule 3.02 (the "Company Subsidiaries"). Except as set forth in Schedule 3.02, the Companies own, either directly or indirectly through one or more other Company Subsidiaries, all of the outstanding equity securities of their respective Company Subsidiaries, free and clear of all Liens, other than Permitted Liens or as otherwise set out in the applicable Charter Documents. Except with respect to the Company Subsidiaries, none of the Companies owns, directly or indirectly, any equity or voting interest in any entity or has any outstanding agreement or commitment to purchase any such interest, or has agreed or is obligated to make or is bound by any written or oral agreement, contract, subcontract, lease, binding understanding, instrument, note, option, warranty, purchase order, license, sublicense, insurance policy, benefit plan, commitment or undertaking of any nature, as of the date hereof or as may hereafter be in effect, under which it may become obligated to make any future investment in or capital contribution to any other entity.

(b) Each Company Subsidiary that is a corporation is duly incorporated, validly existing and, to the extent such concept is recognized, in good standing (or the equivalent thereof) under the laws of its respective jurisdiction of incorporation (as listed in Schedule 3.02) and has the requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted. Each Company Subsidiary that is not a corporation is duly organized or formed, validly existing and in good standing (or the equivalent thereof) under the laws of its respective jurisdiction of organization or formation (as listed in Schedule 3.02) and has the requisite entity power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted. Complete and correct copies of the Charter Documents of each Company Subsidiary, as amended and currently in effect, have been heretofore made available to Parent or Parent's counsel. Each Company Subsidiary is duly qualified or licensed to do business as a foreign entity and is in good standing in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole.

3.03 Capitalization.

(a) As of the date hereof, the authorized capital stock of each of CAC and CEG (the "U.S. Company Capital Stock") and the number of shares of U.S. Company Capital Stock of each of CAC and CEG outstanding is set forth on Schedule 3.03(a). As of the date hereof, the total issued share capital of CAG HK and the number of issued shares constituting such share capital is set forth on Schedule 3.03(a) (the "HK Company Shares" and, together with the U.S. Company Capital Stock, the "Company Capital Stock"). Each outstanding share of Company Capital Stock (i) is duly authorized, validly issued, fully paid and nonassessable and not subject to any preemptive rights, (ii) has been issued in compliance with all applicable securities laws and other applicable Legal Requirements, and (iii) was issued free and clear of all Liens and not subject to option, call option, right of first refusal, subscription right, or any similar right under the Charter Documents of the Companies or any Company Contract, other than, in each case, transfer restrictions under applicable securities laws and the Charter Documents of the Companies or CAG.

(b) Except as set forth on Schedule 3.03(b), no shares of Company Capital Stock or shares of capital stock of any Company Subsidiary or similar equity or ownership interests of any Company or Company Subsidiary are reserved for issuance. There are no outstanding subscriptions, options, warrants, calls, rights (including preemptive rights), pledges, commitments or agreements of any character to which any Company or Company Subsidiary is a party or by which it is bound obligating such Company or Company Subsidiary to issue, deliver, pledge or sell, or cause to be issued, delivered, pledged or sold, or repurchase, redeem or otherwise acquire, or cause to be repurchased, redeemed or otherwise acquired, any shares of Company Capital Stock, shares of capital stock of any Company Subsidiary or similar equity or ownership interests of any Company or Company Subsidiary, or obligating any Company or Company Subsidiary to grant, issue, accelerate the vesting of or enter into any such subscription, option, warrant, call, right, pledge, commitment or agreement with respect to any shares of Company Capital Stock, shares of capital stock of any Company Subsidiary or similar equity or ownership interests of any Company or Company Subsidiary. Except as provided for in this Agreement, as a result of the consummation of the Transactions, no shares of capital stock, warrants, options or other securities of any Company or Company Subsidiary are issuable and no rights in connection with any shares of capital stock, warrants, options or other securities of any Company or Company Subsidiary accelerate or otherwise become triggered (whether as to vesting, exercisability, convertibility or otherwise). No outstanding shares of Company Capital Stock or shares of capital stock of any Company Subsidiary or similar equity or ownership interests of any Company or Company Subsidiary are unvested or subject to a repurchase option, risk of forfeiture or other condition under any applicable agreement with any Company.

(c) Except as set forth on Schedule 3.03(c), there are no registration rights, and there is no voting trust, proxy, rights plan, anti-takeover plan or other agreements or understandings, to which any Company or Company Subsidiary is a party or by which any Company or Company Subsidiary is bound with respect to any equity security of any Company or Company Subsidiary.

(d) None of the Companies or Company Subsidiaries has any outstanding bonds, debentures, notes or other indebtedness obligations the holders of which have the right to vote (or which are convertible into or exercisable or exchangeable for securities having the right to vote) with the stockholders of such Company or Company Subsidiary on any matter.

3.04 Authority Relative to This Agreement. Subject to the CAG Shareholder Approval and Section 3.05(b), each of the Companies has all necessary corporate power and authority to: (i) execute and deliver this Agreement and each Transaction Document that such Company has executed or delivered or is to execute or deliver and (ii) perform such Company's obligations hereunder and thereunder and consummate the Transactions (including the Acquisition). The execution and delivery of this Agreement by the Companies and the consummation by the Companies of the Transactions (including the Acquisition) have been, or will be, duly and validly authorized by all necessary corporate action on the part of the Companies (including, as of the date of this Agreement, approval by their respective boards of directors and stockholders as required by the DGCL and the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as applicable, and, prior to the Closing, approval by the shareholders of CAG) and, other than the CAG Shareholder Approval, no other corporate proceedings on the part of any Company are necessary to authorize the execution and delivery of this Agreement or to consummate the Transactions. This Agreement has been duly and validly executed and delivered by each of the Companies and, assuming the due authorization, execution and delivery thereof by the other Parties, constitutes the legal and binding obligation of each of the Companies, enforceable against each of the Companies in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights generally and by general principles of equity. Except as set forth in Schedule 3.04, to the knowledge of the Companies, no takeover statute or any other similar restrictions are applicable to the Acquisition or the other Transactions.

3.05 No Conflict; Required Filings and Consents.

(a) Except as set forth in Schedule 3.05, the execution and delivery of this Agreement by the Companies do not, and the consummation of the Transactions by the Companies will not, (i) conflict with or violate the Charter Documents of any Company, (ii) conflict with or violate any Legal Requirements applicable to any Company or Company Subsidiary or by which any property or asset of any Company or Company Subsidiary is bound or affected (other than applicable requirements of the HSR Act), (iii) assuming that all consents, approvals, authorizations, permits, filings and notifications described in Section 3.05(b) have been made or obtained, result in any breach of or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, acceleration or cancellation of, or result in the creation of a Lien (other than Permitted Liens) on any property or asset of any Company or Company Subsidiary pursuant to, any Material Company Contract or Governmental Action/Filing applicable to any Company or Company Subsidiary, or (iv) cause the acceleration or increase of any payment to any Person pursuant to any Material Company Contract, except, with respect to clauses (ii), (iii) and (iv), for any such conflicts, violations, breaches, defaults or results that would not, individually or in the aggregate, have a Material Adverse Effect on the Company Group, taken as a whole.

(b) Assuming the truth and completeness of the representations and warranties of Parent contained in this Agreement, the execution and delivery of this Agreement by the Companies do not, and the performance of this Agreement by the Companies will not, require any consent, approval or authorization of, or filing with or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of the Exchange Act, Securities Act, or any state securities or "blue sky" laws and the rules and regulations thereunder, (ii) compliance with and filings or notifications under any applicable requirements of the HSR Act, and (iii) where the failure to obtain such consents, approvals or authorizations, or to make such filings or notifications, would not, individually or in the aggregate, have a Material Adverse Effect on the Company Group, taken as a whole.

3.06 Compliance. None of the Companies or Company Subsidiaries is, and for the past two (2) years none of the Companies or Company Subsidiaries has been, in conflict with, or in default, breach or violation of, any Legal Requirement applicable to it or by which any of its property or assets is bound or affected, except (a) as set forth on Schedule 3.06 and (b) for any such conflicts, defaults, breaches or violations that would not, individually or in the aggregate, have a Material Adverse Effect on the Company Group, taken as a whole. Within the past two (2) years, no written notice of non-compliance with any term or requirement of any Legal Requirements applicable to the Company or any Company Subsidiary has been received by any Company or Company Subsidiary (and, to the knowledge of the Companies, no such written notice has been delivered to any other Person), which non-compliance would be materially adverse to the Company Group, taken as a whole.

3.07 Company Financial Statements.

(a) The Companies have made available to Parent true and complete copies of the following combined financial statements of the Companies: (i) audited combined balance sheets as of December 31, 2020 and 2019, and the related audited combined statements of operations, changes in equity and cash flows for the fiscal years then ended (collectively, the "Company Annual Financial Statements"), and (ii) an unaudited combined balance sheet as of the Company Balance Sheet Date and the related unaudited combined statements of operations, changes in equity and cash flows of the Companies for the three and six months ended June 30, 2021 and 2020 (collectively, the "Company Interim Financial Statements" and, collectively with the Company Annual Financial Statements, the "Company Financial Statements").

(b) The Company Financial Statements (i) were prepared from, and are in accordance in all material respects with, the books and records of the Companies and the Company Subsidiaries, (ii) have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") applied on a consistent basis in accordance with past practice throughout the periods involved (except as may be indicated therein or in the notes thereto), and (iii) fairly present, in all material respects, the combined financial position, results of operations, changes in equity and cash flows of the Companies, as at the respective dates thereof and for the respective periods indicated therein, except, in the case of the Company Interim Financial Statements, subject to normal audit adjustments and the absence of footnotes.

(c) The Companies maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.08 No Undisclosed Liabilities. As of the date of this Agreement, the Companies have no liabilities (absolute, accrued, contingent or otherwise) of a nature that would be required to be set forth or reserved for on a balance sheet of the Companies, including the notes thereto, prepared in accordance with U.S. GAAP, applied on a consistent basis in accordance with past practice, except: (i) liabilities provided for in or otherwise disclosed in the Company Financial Statements or in the notes thereto, (ii) liabilities arising in the ordinary course of business of the Companies and the Company Subsidiaries since the Company Balance Sheet Date, (iii) liabilities disclosed in Schedule 3.08, (iv) liabilities arising under this Agreement or the performance by the Companies and the Company Subsidiaries of their respective obligations hereunder, and (v) liabilities which are not, individually or in the aggregate, material to the Company Group, taken as a whole.

3.09 Absence of Certain Changes or Events. Since the Company Balance Sheet Date, except as set forth in Schedule 3.09 or as expressly contemplated by this Agreement, (a) there has not been any Material Adverse Effect on the Company Group, taken as a whole, and (b) other than in the ordinary course of business, consistent with past practice, none of the Companies or Company Subsidiaries has taken any action, that if taken after the date of this Agreement, would constitute a material breach of any of the covenants set forth in Section 5.01.

3.10 Absence of Litigation. Except as set forth in Schedule 3.10 and except in the ordinary course of business, as of the date hereof, there is no litigation, suit, claim, action, proceeding or investigation (an "Action"), pending or, to the knowledge of the Companies, threatened against any Company or any Company Subsidiary, or any property or asset of any Company or any Company Subsidiary, before any Governmental Authority, the outcome of which would reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole. As of the date hereof, no Company nor any Company Subsidiary nor any property or asset of any Company or any Company Subsidiary is subject to any material continuing Order of, consent decree, settlement agreement or other similar written agreement with, or, to the knowledge of the Companies, continuing investigation by, any Governmental Authority (other than with respect to routine audits, examinations or investigations conducted by a Governmental Authority in the ordinary course of business, the outcome of which would reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole).

3.11 Employee Benefit Plans.

(a) Schedule 3.11(a) lists all material Company Plans. "Company Plan" means any "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and any other employee compensation, bonus, stock option, stock purchase, restricted stock, restricted stock unit, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance, gratuity, change in control, employment, severance, provident fund, pension, fringe benefit, sick pay and vacation plans or arrangements or other compensation or employee benefit plan, program, policy, agreement, contract or other arrangement (whether or not set forth in a written document) covering any active or former employee, director or consultant of the Companies or the Company Subsidiaries, in each case, with respect to which the Companies or Company Subsidiaries have liability or could reasonably be expected to incur any liability (contingent or otherwise), other than (i) standard employment agreements that can be terminated at any time without severance or termination pay and upon notice of not more than 60 days or such longer period as may be required by Legal Requirements or that can be terminated at any time with severance or termination pay calculated and payable in accordance with applicable law, (ii) any plan, program, policy or other arrangement that is sponsored or maintained by a Governmental Authority, or (iii) any plan, program, policy or other arrangement that covers only former directors, officers, employees, consultants, independent contractors and service providers and with respect to which any Company and Company Subsidiary has no remaining liabilities.

(b) Except as otherwise disclosed in Schedule 3.11(b), (i) all Company Plans have been maintained and administered in all material respects in compliance with their respective terms and with the Legal Requirements which are applicable to such Company Plans, (ii) all material contributions required to be made with respect to the Company Plans as of the date hereof have been made or, if not yet due, are reflected in the financial statements and records of the Companies and Company Subsidiaries to the extent required by U.S. GAAP, (iii) if intended to qualify for special tax treatment, all Company Plans meet in all material respects all the requirements for such treatment, and (iv) if required, to any extent, to be funded, book-reserved or secured by an insurance policy, all Company Plans are fully funded, book-reserved or secured by an insurance policy, as applicable, based on reasonable actuarial assumptions in accordance with applicable accounting principles, except as would not be materially adverse to the Company Group, taken as a whole.

(c) Except as otherwise disclosed in Schedule 3.11(c), and except as would not be materially adverse to the Company Group, taken as a whole, (i) no Action (excluding claims for benefits incurred in the ordinary course of Company Plan activities) has been brought, or, to the knowledge of the Companies, is threatened, against or with respect to any Company Plan and (ii) there are no audits, inquiries or proceedings pending or, to the knowledge of the Companies, threatened by any Governmental Authority with respect to any Company Plan.

(d) Except as disclosed in Schedule 3.11(d) hereto, neither the execution and delivery of this Agreement nor the consummation of the Transactions will (i) result in any payment (including severance, unemployment compensation that is not covered by insurance, golden parachute, bonus, or otherwise) becoming due to any director, officer or employee of the Companies and Company Subsidiaries under any Company Plan or otherwise, (ii) materially increase any benefits otherwise payable under any Company Plan, (iii) result in the acceleration of the time of payment or vesting of any such benefits or (iv) result in any amount paid or payable being classified as an "excess parachute payment" that would be non-deductible under Section 280G of the Code.

(e) With respect to each Company Plan, the Companies have made available to Parent, where applicable, (i) a true and complete copy of the current Company Plan documents and all amendments thereto and each trust or other funding arrangement, (ii) copies of the most recent summary plan description and any summaries of material modifications, (iii) a copy of the most recently filed IRS Form 5500 annual report and accompanying schedules, (iv) copies of the most recently received IRS determination, opinion or advisory letter for each such Company Plan, and (v) any material nonroutine correspondence from any relevant Governmental Authority with respect to any Company Plan within the past three (3) years.

(f) None of the Company Plans is, or was within the past six (6) years, nor do the Companies or any ERISA Affiliate have or reasonably expect to have any liability or obligation under (i) a multiemployer plan (within the meaning of Section 3(37) or 4001(a)(3) of ERISA), (ii) a single employer pension plan (within the meaning of Section 4001(a)(15) of ERISA) subject to Section 412 of the Code and/or Title IV of ERISA, (iii) a multiple employer plan subject to Section 413(c) of the Code, (iv) a multiple employer welfare arrangement under Section 3(40) of ERISA, or (v) a Company Plan intended to be qualified under Section 401(a) or Section 401(k) of the Code. "ERISA Affiliate" means any entity that together with the Companies would be deemed a "single employer" for purposes of Section 4001(b)(1) of ERISA and/or Sections 414(b), (c) and/or (m) of the Code.

(g) None of the Company Plans provides any retiree medical to any current or former employee, officer, director or consultant of the Companies after termination of employment or service, except as may be required under Section 4980B of the Code and Parts 6 and 7 of Title I of ERISA and the regulations thereunder (or similar state or foreign law).

(h) To the knowledge of the Companies, there has not been any non-exempt prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) nor any reportable events (within the meaning of Section 4043 of ERISA) with respect to any Company Plan that could reasonably be expected to result in material liability to the Companies. To the knowledge of the Companies, there have been no acts or omissions by the Companies or any ERISA Affiliate that have given or could reasonably be expected to give rise to any material fines, penalties, Taxes or related charges under Sections 502 or 4071 of ERISA or Chapter 43 of the Code for which the Companies may be liable.

(i) Each Company and ERISA Affiliate has each complied in all material respects with the notice and continuation coverage requirements, and all other requirements, of Section 4980B of the Code and Parts 6 and 7 of Title I of ERISA, and the regulations thereunder, with respect to each Company Plan that is, or was during any Tax year for which the statute of limitations on the assessment of federal income Taxes remains open, by consent or otherwise, a group health plan within the meaning of Section 5000(b)(1) of the Code.

(j) The Companies and each Company Plan that is a "group health plan" as defined in Section 733(a)(1) of ERISA is and has been in compliance, in all material respects, with the Patient Protection and Affordable Care Act of 2010 ("PPACA"), and no event has occurred, and, to the knowledge of the Companies, no condition or circumstance exists, that could reasonably be expected to subject the Companies to any material liability for penalties or excise Taxes under Code Section 4980D or 4980H or any other provision of the PPACA.

(k) Each Company Plan that constitutes a nonqualified deferred compensation plan within the meaning of Section 409A(d)(1) of the Code has been operated, in all material respects, in compliance with Section 409A of the Code and the Treasury Regulations thereunder, and any subsequent guidance relating thereto, and, to the knowledge of the Companies, no additional Tax under Section 409A(a)(1)(B) of the Code has been or could reasonably be expected to be incurred by a participant in any such Company Plan. No employee of any Company or Company Subsidiary is entitled to any gross-up or otherwise entitled to indemnification by any of the Companies or Company Subsidiaries for any violation of Section 409A of the Code.

3.12 Labor and Employment Matters.

(a) None of the Companies or Company Subsidiaries is a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Companies or Company Subsidiaries nor do the Companies have knowledge of any activities or proceedings of any labor union to organize any such employees. Except as would not, individually or in the aggregate, have a Material Adverse Effect on the Company Group, taken as a whole, (i) there are no pending grievance or similar proceedings involving any Company or Company Subsidiary and any of its employees, and (ii) there are no continuing obligations of any Company or Company Subsidiary pursuant to the resolution of any such proceeding that is no longer pending.

(b) Except as disclosed in Schedule 3.12(b) hereto, to the knowledge of the Companies, as of the date hereof, none of the officers of the Companies presently intends to terminate his or her employment with the Companies in connection with the Acquisition. To the knowledge of the Companies, the Companies and Company Subsidiaries are in compliance and each of its employees and consultants is in compliance, with the terms of the respective employment and consulting agreements between a Company (or any Company Subsidiary) and such individuals, in each case, except for such non-compliance that would not, individually or in the aggregate, be materially adverse to the Companies and Company Subsidiaries, taken as a whole.

(c) Except as disclosed in Schedule 3.12(c) hereto, to the knowledge of the Companies, the Companies and Company Subsidiaries are in material compliance with all applicable laws relating to employment or termination of employment, including those related to wages, hours, compensation, terms and conditions of employment, workplace health and safety, discrimination or harassment, retaliation, human rights, pay equity, notice of termination, classification of employees, immigration, collective bargaining and the payment and withholding of Taxes and other sums as required by the appropriate Governmental Authority (such as social insurance contributions and housing fund contributions applicable to Company Subsidiaries incorporated in the PRC).

(d) To the knowledge of the Companies, except as set forth in Schedule 3.12(d), the Companies and Company Subsidiaries have not incurred any employment-related liabilities with respect to or arising out of COVID-19 or COVID-19 Measures that would have a Material Adverse Effect on the Company Group, taken as a whole. During the eighteen (18) months prior to the date of this Agreement, except in connection with COVID-19 Measures or Permitted Actions, there have been no furloughs, layoffs, or salary reductions affecting any employee of the Companies or Company Subsidiaries as a result of or in response to COVID-19.

3.13 Restrictions on Business Activities. Except as disclosed in Schedule 3.13, there is no agreement, commitment, or Order binding upon the Companies or Company Subsidiaries or their respective assets or to which any of the Companies or Company Subsidiaries are a party which has had or would reasonably be expected to have the effect of prohibiting or materially impairing any business practice of the Companies or the Company Subsidiaries, any acquisition of property by the Companies or the Company Subsidiaries or the conduct of business by the Companies or the Company Subsidiaries as currently conducted, other than such effects, individually or in the aggregate, which have not had and would not reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole.

3.14 Title to Property.

(a) None of the Companies or Company Subsidiaries owns any real property.

(b) Schedule 3.14(b) contains a list of all leases of material real property held by any Company or Company Subsidiary. All leases of material real property held by any Company or Company Subsidiary are in full force and effect, are valid and effective in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights generally and by general principles of equity, and there is not, under any of such leases, any existing material default or event of default (or event which, with notice or lapse of time, or both, would constitute a default) by any Company or Company Subsidiary.

(c) The Companies and Company Subsidiaries have legal and valid title to, or, in the case of leased material tangible personal property and assets, valid leasehold interests in, all material tangible personal property and assets of the Company Group, taken as a whole, to the extent used or held for use in connection with the business of the Companies and Company Subsidiaries (the "Company Personal Property"), and all Company Personal Property is in each case held free and clear of all Liens, except for Permitted Liens or Liens disclosed in the Company Financial Statements or in Schedule 3.14(c), none of which Liens would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company Group, taken as a whole. No material tangible personal property or assets used in, or necessary for, the operation of the business of the Company Group, taken as a whole, as currently conducted, is owned or leased by CAG or any Affiliate of CAG (other than the Companies and the Company Subsidiaries). The Company Personal Property, taken as a whole, has been maintained in all material respects in accordance with generally applicable accepted industry practice and is in good working order and condition, except for ordinary wear and tear and as would not, individually or in the aggregate, reasonably be expected to be materially adverse to the Company Group, taken as a whole.

3.15 Intellectual Property.

(a) Except as would not have a Material Adverse Effect on the Company Group, taken as a whole, the conduct of the business of the Companies and Company Subsidiaries as currently conducted does not materially infringe upon or misappropriate the Intellectual Property rights of any third party. None of the Companies or Company Subsidiaries has received a written claim and, to the knowledge of the Companies, no claim has been threatened against the Companies or Company Subsidiaries that the conduct of the business of the Companies and Company Subsidiaries as currently conducted infringes upon or may infringe upon or misappropriates the Intellectual Property rights of any third party.

(b) With respect to each material item of Intellectual Property owned by any Company or Company Subsidiary ("Company Owned Intellectual Property"), one of the Companies or Company Subsidiaries is the sole and exclusive owner of the entire right, title and interest in and to such Company Owned Intellectual Property, free and clear of any Liens (excluding non-exclusive licenses and related restrictions granted by it in the ordinary course of business), and is entitled to use such Company Owned Intellectual Property in the operation of the Company Group's business as currently conducted. To the knowledge of the Companies, the Company Owned Intellectual Property is valid, enforceable, and subsisting, and has not been adjudged invalid or unenforceable in whole or in part, and none of the Companies or Company Subsidiaries has received written notice of a pending proceeding in which any claim has been asserted that any Company Owned Intellectual Property is invalid or unenforceable.

(c) With respect to each material item of Intellectual Property licensed to any Company or Company Subsidiary ("Company Licensed Intellectual Property," and together with the Company Owned Intellectual Property, the "Company Intellectual Property"), one of the Companies or Company Subsidiaries has sufficient right to use such Company Licensed Intellectual Property in the continued operation of its business in accordance with the terms of a license agreement governing such Company Licensed Intellectual Property. To the knowledge of the Companies, each license of the Company Licensed Intellectual Property is valid and enforceable, is binding on all parties to such license, and is in full force and effect. Except as would not have a Material Adverse Effect on the Company Group, taken as a whole, the Companies and Company Subsidiaries are not and, to the knowledge of the Companies, no other party to any license of the Company Licensed Intellectual Property is, in material breach thereof or default thereunder.

(d) To the knowledge of the Companies, no third party is materially infringing on or misappropriating any Company Owned Intellectual Property. The Companies and Company Subsidiaries have taken commercially reasonable actions to ensure that the operation of the business of the Companies and Company Subsidiaries do not constitute unfair competition or trade practices under the laws of any applicable jurisdiction where the Companies or Company Subsidiaries have operations.

(e) The Companies and Company Subsidiaries have taken and will take commercially reasonable actions to maintain, protect and, where appropriate, enforce Intellectual Property rights, including the secrecy, confidentiality and value of their trade secrets and other confidential information. The Companies and Company Subsidiaries have not disclosed any material trade secrets or other material confidential information that relates to the product and service offerings of the Companies or Company Subsidiaries or is otherwise material to the business of the Company Group, taken as a whole, to any other Person, other than pursuant to a written confidentiality agreement under which such other Person agrees to maintain the confidentiality and protect such confidential information. To the knowledge of the Companies, all persons who have contributed, developed or conceived any Company Owned Intellectual Property that is material to the conduct of the business of the Company Group, taken as a whole, have executed valid and enforceable written agreements with a Company or Company Subsidiary, substantially in the form made available to Parent, and pursuant to which such persons assigned to a Company or Company Subsidiary all of their entire right, title, and interest in and to any Intellectual Property created, conceived or otherwise developed by such person in the course of and related to his, her or its relationship with the Companies or Company Subsidiaries, without further consideration or any restrictions or obligations whatsoever, including on the use or other disposition or ownership of such Intellectual Property. All past and current employees and independent contractors of each Company or Company Subsidiary have entered into employee invention assignment and confidentiality agreements with the Companies or Company Subsidiaries on the Companies' standard form of such agreement made available to Parent.

(f) To the knowledge of the Companies, no Company or Company Subsidiary is, nor has any Company or Company Subsidiary ever been, a member or promoter of, or a contributor to, any industry standards body or similar standard setting organization that requires or obligates a Company or Company Subsidiary to grant or offer to any other Person any license or right to any Company Intellectual Property.

(g) The Company Intellectual Property constitutes all material Intellectual Property rights used in, or necessary for, the operation of the business of the Company Group, taken as a whole, as currently conducted, and is sufficient for the conduct of the business of the Company Group, taken as a whole, as currently conducted.

(h) Neither the execution of this Agreement nor the consummation of any Transaction shall materially adversely affect any of the Companies' or Company Subsidiaries' rights with respect to the Company Owned Intellectual Property or the Company Licensed Intellectual Property that is material to the conduct of the business of the Company Group, taken as a whole.

(i) To the knowledge of the Companies, there are no current unresolved material defects, technical concerns or problems in any of the product or service offerings of the Companies and Company Subsidiaries which are not of the type that are capable of being remediated in the ordinary course of business.

(j) The Companies and Company Subsidiaries currently and previously have complied in all material respects with (i) all applicable Privacy/Data Security Laws, (ii) any applicable privacy or other policies of the Companies or Company Subsidiaries concerning the collection, dissemination, storage or use of Personal Information or other Business Data, (iii) industry standards to which the Companies purport to adhere, and (iv) all contractual commitments that the Companies or Company Subsidiaries have entered into with respect to privacy and/or data security (collectively, the "Company Data Security Requirements"). The Companies and Company Subsidiaries has implemented reasonable data security safeguards designed to protect the security and integrity of the Business Systems and Business Data. The Companies' and Company Subsidiaries' employees and contractors receive reasonable training on information security issues. During the past three (3) years and as of the date of this Agreement, the Companies and Company Subsidiaries have not (x) to the knowledge of the Companies, experienced any data security breaches, unauthorized access or use of any of the Business Systems, or unauthorized acquisition, destruction, damage, disclosure, loss, corruption, alteration, or use of any Business Data; or (y) been subject to or received written notice of any audits, proceedings or investigations by any Governmental Authority or any customer, or received any material claims or complaints regarding the collection, dissemination, storage or use of Personal Information, or the violation of any applicable Company Data Security Requirements, and, to the knowledge of the Companies, there is no reasonable basis for the same.

(k) Except as would not reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole, the Companies and Company Subsidiaries (i) exclusively own and possess all right, title and interest in and to the Business Data constituting Company Owned Intellectual Property, free and clear of any restrictions, other than those imposed by applicable Privacy/Data Security Laws, or (ii) have the right to use, exploit, publish, reproduce, distribute, license, sell, and create derivative works of the Business Data, in whole or in part, in the manner in which the Companies or Company Subsidiaries receive and use such Business Data prior to the Closing Date. To the knowledge of the Companies, the Companies and Company Subsidiaries are not subject to any contractual requirements, privacy policies, or other legal obligations, including based on the Transactions, that would prohibit Parent from receiving or using Personal Information or other Business Data after the Closing Date, in the manner in which the Companies and Company Subsidiaries receive and use such Personal Information and other Business Data prior to the Closing Date or result in liabilities in connection with Company Data Security Requirements.

3.16 Taxes.

(a) Except as set forth in Schedule 3.16, each Company and Company Subsidiary (i) has timely filed (taking into account any extension of time within which to file) all Tax Returns required to be filed by any of them as of the date hereof and all such filed Tax Returns are complete and accurate in all material respects; (ii) has timely paid all Taxes that any Company or Company Subsidiary is obligated to pay, except with respect to Taxes that are being contested in good faith, and for which adequate reserves have been provided in accordance with U.S. GAAP in the most recent combined financial statements of the Companies, and no penalties or charges are due with respect to the late filing of any Tax Return required to be filed by or with respect to any of them on or before the Closing Date; (iii) with respect to all Tax Returns filed by or with respect to any of them, has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency; (iv) as of the date hereof, does not have any deficiency, audit, examination, investigation or other proceeding in respect of Taxes or Tax matters pending or proposed or threatened in writing; and (v) has provided adequate reserves in accordance with U.S. GAAP in the most recent combined financial statements of the Companies, for any Taxes of the Companies and Company Subsidiaries that have not been paid, whether or not shown as being due on any Tax Return.

(b) None of the Companies or Company Subsidiaries is a party to, is bound by or has an obligation under any Tax sharing agreement, Tax indemnification agreement, or Tax allocation agreement (other than customary contractual provisions in financing or other commercial agreements entered into in the ordinary course of business).

(c) Each Company and Company Subsidiary has withheld and paid to the appropriate Tax Authority all Taxes required to have been withheld and paid in connection with amounts paid or owing to any current or former employee, independent contractor, creditor, equityholder or other third party and has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes.

(d) None of the Companies or Company Subsidiaries has been a member of an affiliated group filing a consolidated, combined or unitary U.S. federal, state, local or foreign income Tax Return (other than that for which the Company is the parent).

(e) None of the Companies or Company Subsidiaries has in any year for which the applicable statute of limitations remains open distributed stock of another Person, nor has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code.

(f) The Companies and Company Subsidiaries are in compliance in all material respects with the provisions of Sections 6011, 6111 and 6112 of the Code relating to tax shelter disclosure, registration and list maintenance and with the Treasury Regulations thereunder, and neither any Company nor any of the Company Subsidiaries has engaged in or entered into a "listed transaction" with the meaning of Treasury Regulation Sections 1.6011-4(b)(2), 301.6111-2(b)(2) or 301.6112-1(c)(3).

(g) There are no Tax liens upon any assets of any Company or any of the Company Subsidiaries, except statutory liens for current Taxes not yet due and payable.

(h) No Company or Company Subsidiary has taken, or agreed to take, any action, or know of any fact, plan, or other circumstance, that is reasonably likely to prevent the qualification of the Acquisition, together with the actions set forth on Schedule 1, as a reorganization within the meaning of Section 368(a) of the Code.

3.17 Environmental Matters. Except for such matters that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole: (i) the Companies and Company Subsidiaries are and at all times during the last two (2) years have been in compliance in all material respects with applicable Environmental Laws, except for such matters as are fully resolved and are set forth on Schedule 3.17; (ii) none of the Companies, Company Subsidiaries or, to the knowledge of the Companies, any third party has caused any release of Hazardous Substances in violation of applicable Environmental Laws at any properties currently leased or operated by the Companies or the Company Subsidiaries; (iii) to the knowledge of the Companies, the properties formerly leased or operated by the Companies and the Company Subsidiaries did not experience, and otherwise were not affected by, a release of Hazardous Substances in violation of applicable Environmental Laws during the period of ownership, leasing or operation by the Companies or the Company Subsidiaries; (iv) as of the date hereof, none of the Companies or Company Subsidiaries has received written notice that it is potentially liable for performing, or covering the costs of performing, any investigation or remediation of Hazardous Substance released in violation of applicable Environmental Laws on any third party or public property (whether above, on or below ground or in the atmosphere or water); (v) as of the date hereof, none of the Companies or the Company Subsidiaries has received any written notice, demand, letter, claim or request for information alleging that the Companies or the Company Subsidiaries may be in material violation of or have material liability under any Environmental Law; (vi) none of the Companies or the Company Subsidiaries is subject to any current Orders or other arrangements with any Governmental Authority or subject to any contractual indemnity or other agreement with any third party requiring it to assume a material liability under any Environmental Law, including in relation to Hazardous Substances; and (vii) this Section 3.17 and Section 3.20 contain the sole representations and warranties of the Companies and Company Subsidiaries related to environmental matters, except for such environmental matters as relate to Permitted Liens.

3.18 Agreements.

(a) Schedule 3.18 sets forth a complete and accurate list of all Material Company Contracts in effect on the date of this Agreement, specifying the parties thereto. For purposes of this Agreement, (i) the term "Company Contracts" means all legally binding contracts, agreements, purchase orders, leases, mortgages, indentures, notes, and bonds, whether written or oral, to which any of the Companies or Company Subsidiaries are a party or by or to which any of the properties or assets of any Company or Company Subsidiary may be bound (including, without limitation, notes for borrowed money payable to any Company or Company Subsidiary, but excluding any Company Plans) and (ii) the term "Material Company Contracts" means (x) each Company Contract (A) involving payments to the Companies and Company Subsidiaries in excess of $350,000 in any twelve (12) month period ending on or after the Company Balance Sheet Date, (B) involving expenditures by the Companies and the Company Subsidiaries in excess of $350,000 in any twelve (12) month period ending on or after the Company Balance Sheet Date (other than any Company Contract of employment), or (C) which would be a "material contract," as such term is defined in Item 601(b)(10) of Regulation S-K promulgated by U.S. Securities and Exchange Commission (the "SEC"), and (y) the limitations of subclause (x) notwithstanding, each of the following Company Contracts:

(i) any Company Contract to which any director or executive officer of the Companies, or any entity owned or controlled by any such Person, is a party (other than employment, standard confidentiality, and similar agreements or offer letters with employees of the Companies and Company Subsidiaries);

(ii) any mortgage, indenture, note, installment obligation or other instrument or agreement for or relating to any borrowing of money by the Companies or Company Subsidiaries in excess of $250,000;

(iii) any guaranty, direct or indirect, by any Company or Company Subsidiary of any obligation of a third party (other than any Company or Company Subsidiary), in excess of $250,000, excluding endorsements made for collection in the ordinary course of business;

(iv) any Company Contract of employment with any officer of the Companies or providing for annual base cash compensation in excess of $200,000;

(v) any Company Contract made other than in the ordinary course of business (x) providing for the grant of any preferential rights of first offer or first refusal to purchase or lease any material asset of any Company or Company Subsidiary or (y) providing for any exclusive right to sell or distribute, or otherwise relating to the sale or distribution of, any product or service of any Company or Company Subsidiary;

(vi) any obligation to register any shares of the capital stock or other securities of any Company with the SEC or any similar Governmental Authority;

(vii) any obligation to make payments, contingent or otherwise, arising out of the prior acquisition of the business or all or substantially all of the assets or stock of other Persons, other than Company Contracts (A) in which the applicable acquisition has been consummated and there are no material obligations ongoing, or (B) between any Company and any Company Subsidiary;

(viii) any collective bargaining agreement with any labor union;

(ix) any lease or similar arrangement for the use by any Company or Company Subsidiary of real property or Company Personal Property, where the annual lease payments are greater than $250,000 (other than any lease of vehicles, office equipment or operating equipment made in the ordinary course of business);

(x) any Company Contract which involves the grant to any Company or Company Subsidiary of a license or similar rights to any material Company Licensed Intellectual Property (other than Company Contracts granting nonexclusive rights to use commercially available off-the-shelf software and any other similar software licenses (including software-as-a-service) that are commercially available on standard terms to the public and Open Source Licenses).

(xi) any Company Contract which involves the grant by any Company or Company Subsidiary of a license or similar rights to Company Owned Intellectual Property or a sublicense or similar rights to Company Licensed Intellectual Property, other than (A) non-exclusive licenses of services to customers, resellers and distributors, (B) non-disclosure agreements entered into in the ordinary course of business, consistent with past practices, (C) non-exclusive licenses granted to vendors for the sole purpose of providing goods or services to a Company or Company Subsidiary, and (D) incidental non-exclusive trademark licenses granted solely for marketing or promotional purposes or rights to feedback, in each case, in the ordinary course of business consistent with past practices;

(xii) any Company Contract under which any Company has agreed to purchase goods or services from a vendor, supplier or other Person on a preferred supplier or "most favored nation" basis or is otherwise subject to restrictions materially limiting the Companies' ability to conduct business anywhere in the world, other than customary non-solicitation and no-hire provisions entered into in the ordinary course of business; and

(xiii) any agreement for the development of material Company Intellectual Property for the benefit of any Company or Company Subsidiary (other than employee invention assignment and confidentiality agreements entered into on the Companies' standard form of such agreements made available to Parent).

(b) Except as would not or would not be reasonably expected to have a Material Adverse Effect on the Company Group, taken as a whole, (i) each Material Company Contract is a legal, valid and binding obligation of a Company or a Company Subsidiary and, to the knowledge of the Companies, the other parties thereto, except for Material Company Contracts that will expire in accordance with their terms prior to the Closing, and neither the Companies nor Company Subsidiaries is in material breach or violation of, or default under, any Material Company Contract nor has any Material Company Contract been canceled by the other party thereto; (ii) to the knowledge of the Companies, no other party thereto is in breach or violation of, or default under, any Material Company Contract; and (iii) during the last twelve (12) months, none of the Companies or Company Subsidiaries have received any written or, to the knowledge of the Companies, oral claim of default under any such Material Company Contract.

3.19 Insurance. Schedule 3.19 sets forth, as of the date hereof, the Companies' and Company Subsidiaries' material Insurance Policies. The coverages provided by the Companies' and Company Subsidiaries' Insurance Policies are believed by the Companies to be reasonably adequate in amount and scope for the Companies' and Company Subsidiaries' business and operations, including any insurance required to be maintained by Material Company Contracts.

3.20 Governmental Actions/Filings. The Companies and the Company Subsidiaries have been granted and hold, and have made, all Governmental Actions/Filings (including, without limitation, Governmental Actions/Filings required for emission or discharge of effluents and pollutants into the air and the water) necessary to the conduct of the business of the Company Group, taken as a whole, as currently conducted or used or held for use by the Companies and Company Subsidiaries, except for any of the foregoing that, if not granted, held or made, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company Group, taken as a whole. The Companies and Company Subsidiaries are in substantial compliance in all material respects with all of their obligations with respect to such Governmental Actions/Filings. To the knowledge of the Companies, no event has occurred and is continuing which requires or permits, or after notice or lapse of time or both would require or permit, and consummation of the Transactions will not require or permit (with or without notice or lapse of time, or both), any modification or termination of any such Governmental Actions/Filings, except such events which, either individually or in the aggregate, would not have a Material Adverse Effect on the Company Group, taken as a whole.

3.21 Customers and Suppliers.

(a) A list of the top ten (10) customers (by revenue) of the Companies, (i) for the fiscal year ended December 31, 2020 and (ii) as of June 30, 2021 (collectively, the "Company Material Customers"), and the aggregate amount of consideration paid to the Companies by each Company Material Customer during each such period, has been provided to Parent. Except as set forth in Schedule 3.21(a), as of the date of this Agreement, no such Company Material Customer has expressed to the Companies in writing, and the Companies have no knowledge of, any Company Material Customer's intention to cancel or otherwise terminate, or materially reduce or materially adversely modify, its relationship with any Company or of a material breach of the terms of any contract with such Company Material Customer.

(b) A list of the top ten (10) vendors to and/or suppliers (by spend) of the Companies (i) for the fiscal year ended December 31, 2020 and (ii) as of June 30, 2021 (collectively, the "Company Material Suppliers"), and the amount of consideration paid to each Company Material Supplier by the Companies during each such period, has been provided to Parent. Except as set forth in Schedule 3.21(b), no Company Material Supplier is the sole source supplier to the Companies and the Company Subsidiaries of the goods or services supplied by such Company Material Supplier.

3.22 Inventory. All inventory of the Companies and Company Subsidiaries reflected in the Company Balance Sheet is, in the aggregate, of a quality and quantity usable and salable in the ordinary course of business, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established or except as would not reasonably expected to have a Material Adverse Effect on the Company Group, taken as whole.

3.23 Anti-Corruption Laws.

(a) The Companies and Company Subsidiaries are, as of the date of this Agreement, and have in the past two (2) years been in compliance with all Anti-Corruption Laws, except as would not reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole. None of the Companies or Company Subsidiaries nor, to the knowledge of the Companies, any of their respective officers, directors, employees, agents or other third party representatives acting on behalf of the Companies or Company Subsidiaries has at any time made any unlawful payment or given, offered, promised, or authorized or agreed to give, any money or thing of value, directly or indirectly, to any governmental official or other Person in violation of Anti-Corruption Laws.

(b) (i) None of the Companies or Company Subsidiaries, nor, to the knowledge of the Companies, any of their respective officers, directors or employees, agents or other third party representatives acting on behalf of any Company or Company Subsidiary is currently, or has been in the past two (2) years: (i) a Sanctioned Person, (ii) organized, resident or located in a Sanctioned Country, (iii) engaging in any dealings or transactions with or for the benefit of any Sanctioned Person or in any Sanctioned Country, or (iv) otherwise in violation of applicable Sanctions Laws, Ex-Im Laws, or U.S. anti-boycott Legal Requirements (collectively, "Trade Control Laws"), in case of clause (iii) and (iv), that would result in material liability to the Company Group, taken as a whole.

(c) (i) In the past two (2) years, none of the Companies or Company Subsidiaries has (i) received from any Governmental Authority or any Person any written notice, inquiry, or internal or external allegation; (ii) made any voluntary or involuntary disclosure to a Governmental Authority; or (iii) conducted any internal investigation or audit, in each case (i)-(iii) concerning any actual or potential violation or wrongdoing by the Companies, any Company Subsidiary, or, to the knowledge of the Companies, any of their respective, officers, directors, employees, or agents related to Anti-Corruption Laws or Trade Control Laws.

3.24 Interested Party Transactions. Except as set forth in Schedule 3.24 hereto, no director, executive officer or Affiliate of the Companies, or a member of his or her immediate family, is indebted to the Companies or Company Subsidiaries for any loan, nor are the Companies or Company Subsidiaries indebted (or committed to make loans or extend or guarantee credit) to any of such Persons for any loan, other than (i) for payment of compensation for services rendered, (ii) reimbursement for reasonable expenses incurred on behalf of any Company or Company Subsidiary, and (iii) for other employee benefits made generally available to all employees.

3.25 Board Approval; Shareholders' Approval; Vote Required. As of the date of this Agreement, the boards of directors of the Companies, by resolutions duly adopted by unanimous vote of those voting at a meeting duly called and held and not subsequently rescinded or modified in any way, has duly (i) determined that this Agreement and the Acquisition are fair to and in the best interests of the Companies and their stockholders, (ii) approved this Agreement and the Acquisition and declared their advisability, (iii) recommended that the stockholders of the Companies approve and adopt this Agreement and the Acquisition and directed that this Agreement and the Acquisition be submitted for consideration by such Company's stockholders. CAG, as the stockholder of the Companies, duly approved this Agreement and the Acquisition by written consent executed and delivered on or prior the date hereof. The only corporate vote or consent necessary to approve this Agreement and the Acquisition that has not been obtained is the CAG Shareholder Approval.

3.26 Brokers. Except as set forth in Schedule 3.26 hereto, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Companies for which Parent, the Companies or any Company Subsidiary has any obligation.

3.27 No Additional Representations and Warranties. Except as otherwise expressly provided in this ARTICLE III (as modified by the Company Disclosure Schedule), none of CAG, the Companies, the Company Subsidiaries, their Affiliates, or their Representatives has made, or is making, any express or implied representation or warranty whatsoever with respect to the Companies, the Company Subsidiaries, their Affiliates, or any matter relating to any of them, including their affairs, the condition, value or quality of their assets, liabilities, financial condition or results of operations, or with respect to the accuracy or completeness of any information made available to Parent or any of its Affiliates or Representatives by, or on behalf of, CAG or the Companies (other than regarding CAG as expressly provided in ARTICLE II), and any such representation or warranty is expressly disclaimed. Without limiting the generality of the foregoing, neither CAG, the Companies nor any other person on behalf of CAG or the Companies has made or makes any representation or warranty, whether express or implied, with respect to any projections, forecasts or estimates or budgets made available to Parent or any of its Affiliates or Representatives of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of any member of the Company Group (including the reasonableness of the assumptions underlying any of the foregoing), whether or not included in any management presentation or in any other information made available to Parent or any of its Affiliates Representatives or any other Person, and any such representation or warranty is expressly disclaimed. The Companies are not relying on any statement, representation or warranty, oral or written, express or implied, made by Parent or any of its Representatives, except as expressly set forth in ARTICLE IV (as modified by the Parent Disclosure Schedule and any Parent SEC Report).

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PARENT

Subject to the exceptions set forth in Schedule 4 delivered by Parent to CAG in connection with this Agreement (the "Parent Disclosure Schedule") and to the information included in the Parent SEC Reports filed on or after February 1, 2019 to and prior to the date hereof (without giving effect to any Parent SEC Report or any amendment to any Parent SEC Report in each case filed or publicly furnished on or after the date hereof) (but only to the extent the applicability of such disclosure is reasonably apparent from the content of such Parent SEC Reports, but excluding disclosures referred to in "Forward-Looking Statements," "Risk Factors," and any other disclosures therein to the extent they are of a predictive or cautionary nature or related to forward-looking statements) (it being acknowledged that nothing disclosed in such a Parent SEC Report will be deemed to modify or qualify the representations and warranties set forth in Section 4.01, Section 4.03, and Section 4.04), Parent hereby represents and warrants to CAG as follows:

4.01 Organization and Qualification. Parent is a company duly incorporated and validly existing under the laws of New South Wales, Australia, and has the requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted. Complete and correct copies of the Charter Documents of Parent, as amended and currently in effect, have been heretofore made available to CAG or CAG's counsel.

4.02 Subsidiaries.

(a) Parent has no direct or indirect subsidiaries, other than those listed in Schedule 4.02 (the "Parent Subsidiaries"). Except as set forth in Schedule 4.02, Parent owns all of the issued and outstanding equity securities of the Parent Subsidiaries, free and clear of all Liens, other than Permitted Liens, either directly or indirectly through one or more other Parent Subsidiaries. Except with respect to the Parent Subsidiaries, Parent does not own, directly or indirectly, any equity or voting interest in any Person or has any agreement or commitment to purchase any such interest, and has not agreed and is not obligated to make nor is bound by any written or oral agreement, contract, subcontract, lease, binding understanding, instrument, note, option, warranty, purchase order, license, sublicense, insurance policy, benefit plan, commitment or undertaking of any nature, as of the date hereof or as may hereafter be in effect, under which it may become obligated to make any future investment in or capital contribution to any other entity.

(b) Each Parent Subsidiary that is a corporation is duly incorporated, validly existing and in good standing (or the equivalent thereof) (with respect to jurisdictions that recognize such concepts) under the laws of its jurisdiction of incorporation (as listed in Schedule 4.02). Each Parent Subsidiary that is not a corporation is duly organized or formed, validly existing and in good standing (or the equivalent thereof) under the laws of its jurisdiction of organization or formation (as listed in Schedule 4.02). Complete and correct copies of the Charter Documents of each Parent Subsidiary, as amended and currently in effect, have been heretofore delivered to CAG or CAG's counsel.

4.03 Capitalization.

(a) The issued and outstanding share capital of Parent (the "Parent Capital Stock") as of the date hereof is set forth on Schedule 4.03(a). Each outstanding share of Parent Capital Stock (i) is duly authorized, validly issued, fully paid and nonassessable and not subject to any preemptive rights, (ii) has been issued and granted in compliance with all applicable securities laws and other applicable Legal Requirements, and (iii) was issued free and clear of all Liens and not subject to option, call option, right of first refusal, subscription right, or any similar right under any provision of applicable Legal Requirement, the Charter Documents of Parent or any Parent Contract, other than transfer restrictions under applicable securities laws and the Charter Documents of Parent.

(b) The shares of Parent Capital Stock issuable upon the exercise of outstanding warrants of Parent (the "Parent Warrants") are set forth on Schedule 4.03(b)(i). Except for Parent's director compensation plan, incentive equity compensation awarded to Parent's executive officers, and the Parent Warrants, in each case, disclosed on Schedule 4.03(b)(ii), there are no subscriptions, options, warrants, calls, rights (including preemptive rights), pledges, commitments or agreements of any character to which Parent is a party or by which it is bound obligating Parent to issue, deliver, pledge or sell, or cause to be issued, delivered, pledged or sold, or repurchase, redeem or otherwise acquire, or cause to be repurchased, redeemed or otherwise acquired, any shares of Parent Capital Stock, or similar equity or ownership interests of Parent, or obligating Parent to grant, issue, accelerate the vesting of or enter into any such subscription, option, warrant, call, right, pledge, commitment or agreement. Except as provided for in this Agreement and as set forth set forth on Schedule 4.03(b), as a result of the consummation of the Transactions, no shares, warrants, options or other securities of Parent are issuable and no rights in connection with any shares, warrants, options or other securities of Parent accelerate or otherwise become triggered (whether as to vesting, exercisability, convertibility or otherwise). Except as set forth set forth on Schedule 4.03(b), no outstanding shares of Parent Capital Stock are unvested or subjected to a repurchase option, risk of forfeiture or other condition under any applicable agreement with Parent.

(c) There are no registration rights, and there is no voting trust, proxy, rights plan, anti-takeover plan or other agreements or understandings, to which Parent is a party or by which Parent is bound with respect to any equity security of Parent.

(d) Parent has no outstanding bonds, debentures, notes or other indebtedness obligations the holders of which have the right to vote (or which are convertible into or exercisable or exchangeable for securities having the right to vote) with the shareholders of Parent on any matter.

(e) The Parent Shares to be issued pursuant to the Acquisition in accordance with ARTICLE I shall (i) be duly authorized, validly issued, fully paid and non-assessable, (ii) be issued in compliance with (A) Parent's Charter Documents, (B) all Legal Requirements, and (C) all requirements set forth in any applicable Material Parent Contract, and (iii) not be subject to preemptive rights, and shall be issued in accordance with applicable federal and state securities laws, free and clear of all Liens, other than transfer restrictions under applicable securities laws and the Charter Documents of Parent.

(f) Except as set forth in Schedule 4.03(f), neither Parent nor any Parent Subsidiary is a party to, or otherwise bound by, and neither Parent nor any Parent Subsidiary has granted, any equity appreciation rights, participations, phantom equity, or similar rights.

4.04 Authority Relative to this Agreement. Parent has all necessary corporate power and authority to: (i) execute, deliver and perform this Agreement and each Transaction Document that Parent has executed or delivered or is to execute or deliver, and (ii) perform Parent's obligations hereunder and thereunder and, subject to the approval of the Parent Shareholder Matters (as defined below) by the shareholders of Parent, to consummate the Transactions (including the Acquisition). The execution and delivery of this Agreement by Parent and the consummation by Parent of the Transactions (including the Acquisition) have been, or will be, duly and validly authorized by all necessary corporate action on the part of Parent (including the approval by its board of directors and, prior to the Closing, the shareholders of Parent as required by the Australian Corporations Act), and, other than the approval of the Parent Shareholder Matters (as defined below) by the shareholders of Parent, no other corporate proceedings on the part of Parent are necessary to authorize the execution and delivery of this Agreement or to consummate the Transactions. This Agreement has been duly and validly executed and delivered by Parent and, assuming the due authorization, execution and delivery thereof by the other Parties, constitutes the legal and binding obligation of Parent, enforceable against Parent in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights generally and by general principles of equity. To the knowledge of Parent, the Australian Corporations Act is the only takeover statute or other similar restriction applicable to the Acquisition or the other Transactions.

4.05 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by Parent do not, and subject to receipt of the approval of the Parent Shareholder Matters, the performance of the Transactions by Parent will not, (i) conflict with or violate the Charter Documents of Parent, (ii) conflict with or violate any Legal Requirements applicable to Parent or by which any property or asset of Parent is bound or affected, (iii) assuming that all consents, approvals, authorizations, permits, filings and notifications described in Section 4.05(b) have been made or obtained, result in any breach of or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien (other than Permitted Liens) on any property or asset of Parent pursuant to, any Material Parent Contract or Governmental Action/Filing applicable to Parent or any Parent Subsidiary, or (iv) cause the acceleration or increase of any payment to any Person pursuant to any Material Parent Contract, except, with respect to clauses (ii), (iii) and (iv), for any such conflicts, violations, breaches, defaults or results, which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole.

(b) Assuming the truth and completeness of the representations and warranties of the Companies and CAG contained in this Agreement, the execution and delivery of this Agreement by Parent do not, and the performance of this Agreement by Parent will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except (i) for applicable requirements, if any, of the Exchange Act, Securities Act, the Australian Corporations Act (including Australian Securities and Investments Commission regulatory guides) or any state securities or "blue sky" laws, (ii) compliance with and filings or notifications under any applicable requirements of the HSR Act, and (iii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, individually or in the aggregate, have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole.

4.06 Compliance. Neither Parent nor any Parent Subsidiary is, and for the past two (2) years neither Parent nor any Parent Subsidiary has been, in conflict with, or in default, breach or violation of, any Legal Requirement applicable to Parent or any Parent Subsidiary or by which any property or asset of Parent or any Parent Subsidiary is bound or affected, except for any such conflicts, defaults, breaches or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole. Within the past two (2) years, no written notice of non-compliance with any term or requirement of any Legal Requirements applicable to Parent or any Parent Subsidiary has been received by Parent or any of the Parent Subsidiaries (and to the knowledge of Parent, no such written notice has been delivered to any other Person), which non-compliance would be materially adverse to Parent and the Parent Subsidiaries, taken as a whole.

4.07 SEC Filings; Financial Statements.

(a) Parent has timely filed all required registration statements, reports, schedules, forms, statements and other documents required to be filed by Parent with the SEC since its formation (collectively, as they have been amended since the time of their filing and including all exhibits thereto, the "Parent SEC Reports"). All of the Parent SEC Reports, as of their respective dates (or, if amended or superseded by a filing prior to the date of this Agreement or the Closing Date, then on the date of such filing), (i) complied in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act, and the rules and regulations promulgated thereunder and (ii) did not, at the time they were filed or, if amended, as of the date of such amendment contain any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. As of the date hereof, there are no outstanding or unresolved comments in comment letters from the SEC staff with respect to Parent or the Parent SEC Reports. The audited financial statements of Parent ("Parent Annual Financial Statements") and unaudited interim financial statements of Parent ("Parent Interim Financial Statements" and, together with the Parent Annual Financial Statements, the "Parent Financial Statements") (including, in each case, the notes and schedules thereto) included in the Parent SEC Reports complied as to form in all material respects with the applicable accounting requirements and with the rules and regulations of the SEC, the Exchange Act, and the Securities Act in effect as of the respective date thereof, with respect thereto, were prepared in accordance with the International Financial Reporting Standards, as adopted by the International Accounting Standards Board ("IFRS") applied on a consistent basis in accordance with past practice during the periods involved (except as may be indicated therein or in the notes thereto and except with respect to unaudited statements as permitted by the SEC) and fairly present (subject, in the case of the unaudited interim financial statements included therein, to normal year-end adjustments and the absence of complete footnotes) in all material respects the financial position, results of operations, and changes in stock of Parent and the Parent Subsidiaries as of the respective dates thereof and the results of their operations and cash flows for the respective periods then ended. Parent has no off-balance sheet arrangements that are not disclosed in the Parent SEC Reports.

(b) Parent has established and maintains disclosure controls and procedures (as defined in Rule 13a-15 under the Exchange Act). Such disclosure controls and procedures are designed to ensure that material information relating to Parent and other material information required to be disclosed by Parent in the reports and other documents that it files or furnishes under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is made known to Parent's principal executive officer and its principal financial officer as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act. Except as disclosed in the Parent SEC Reports, such disclosure controls and procedures are effective in timely alerting Parent's principal executive officer and principal financial officer to material information required to be included in Parent's periodic reports required under the Exchange Act.

(c) Parent has established and maintained a system of internal controls over financial reporting (as defined in Rule 13a-15 under the Exchange Act) that, except as disclosed in the Parent SEC Reports, are effective and sufficient to provide reasonable assurance regarding the reliability of Parent's financial reporting and the preparation of Parent's financial statements for external purposes in accordance with IFRS, including policies and procedures sufficient to provide reasonable assurance: (i) that Parent maintains records that in reasonable detail accurately and fairly reflect, in all material respects, its transactions and dispositions of assets; (ii) that transactions are recorded as necessary to permit the preparation of financial statements in conformity with IFRS; (iii) that receipts and expenditures are being made only in accordance with authorizations of management and its board of directors; and (iv) regarding prevention or timely detection of unauthorized acquisition, use, or disposition of its assets that could have a material effect on its financial statements. Set forth on Schedule 4.07(c) is a true and complete copy of any disclosure (or, if unwritten, a summary thereof) by any representative of Parent to Parent's independent auditors relating to any material weaknesses in internal controls and any significant deficiencies in the design or operation of internal controls that would adversely affect the ability of Parent to record, process, summarize, and report financial data. Parent has no knowledge of any fraud or whistle-blower allegations, whether or not material, that involve management or other employees or consultants who have or had a significant role in the internal control over financial reporting of Parent. Except as disclosed in the Parent SEC Reports, since January 1, 2018, there have been no material changes in Parent's internal control over financial reporting.

(d) There are no extensions of credit in the form of a personal loan made by Parent to any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of Parent. Parent has not taken any action prohibited by Section 402 of the Sarbanes-Oxley Act.

(e) Neither Parent nor Parent's independent auditors has identified or been made aware of (i) any significant deficiency or material weakness in the system of internal accounting controls utilized by Parent, except as set forth on Schedule 4.07(e) or in the Parent SEC Reports, (ii) any fraud, whether or not material, that involves Parent's management or other employees who have a role in the preparation of financial statements or the internal accounting controls utilized by Parent or (iii) any claim or allegation regarding any of the foregoing.

(f) To the knowledge of Parent, none of the Parent SEC Reports is subject to ongoing review or investigation by the SEC or any other Governmental Authority as of the date hereof.

(g) Except as set forth on Schedule 4.07(g), Parent is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of Nasdaq.

4.08 No Undisclosed Liabilities. Parent and the Parent Subsidiaries have no liabilities (absolute, accrued, contingent or otherwise) of a nature that would be required to be set forth or reserved for on a balance sheet of Parent, including the notes thereto, prepared in accordance with IFRS, applied on a consistent basis in accordance with past practice, except: (i) liabilities provided for in or otherwise disclosed in the Parent Financial Statements or in the notes thereto, (ii) liabilities arising in the ordinary course of business of Parent and the Parent Subsidiaries since the date of the balance sheet included in the Parent Interim Financial Statements (the "Parent Balance Sheet"), (iii) liabilities disclosed in Schedule 4.08, (iv) liabilities arising under this Agreement or the performance by Parent of its obligations hereunder, and (v) liabilities which are not, individually or in the aggregate, material to Parent and the Parent Subsidiaries, taken as a whole. As of the date of this Agreement, Parent and the Parent Subsidiaries have no Indebtedness or other liabilities in excess of $10,000,000 in the aggregate.

4.09 Absence of Certain Changes or Events. Since the date of the Parent Balance Sheet, except as disclosed in the Parent SEC Reports filed prior to the date of this Agreement or in Schedule 4.09, or as expressly contemplated by this Agreement, (a) there has not been any Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole, and (b) other than in the ordinary course of business, consistent with past practice, none of Parent or the Parent Subsidiaries has taken any action that, if taken after the date of this Agreement, would constitute a material breach of any of the covenants set forth in Section 5.01.

4.10 Absence of Litigation. Except as set forth in Schedule 4.10, there is no, and in the past two (2) years there has not been any, Action pending or, to the knowledge of Parent, threatened against Parent or any Parent Subsidiary, or any property or asset of Parent or any Parent Subsidiary, before any Governmental Authority, the outcome of which would reasonably be expected to have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole. As of the date hereof, neither Parent nor any Parent Subsidiary nor any property or asset of Parent or any Parent Subsidiary is subject to any continuing Order of, consent decree, settlement agreement or other similar written agreement with, or, to the knowledge of Parent, continuing investigation by, any Governmental Authority.

4.11 Employee Benefit Plans.

(a) Schedule 4.11(a) lists all material Parent Plans. "Parent Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA and any other employee compensation, bonus, stock option, stock purchase, restricted stock, restricted stock unit, stock-based, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance, gratuity, change in control, employment, severance, provident fund, pension, fringe benefit, sick pay and vacation plans or arrangements or other compensation or employee benefit plan, program, policy, agreement, contract or other arrangement (whether or not set forth in a written document) covering any active or former employee, director or consultant of Parent or the Parent Subsidiaries, in each case, with respect to which Parent or Parent Subsidiaries have liability or could reasonably be expected to incur any liability (contingent or otherwise), other than (i) standard employment agreements that can be terminated at any time without severance or termination pay and upon notice of not more than 60 days or such longer period as may be required by Legal Requirements or that can be terminated at any time with severance or termination pay calculated and payable in accordance with applicable law, (ii) any plan, program, policy or other arrangement that is sponsored or maintained by a Governmental Authority, or (iii) any plan, program, policy or other arrangement that covers only former directors, officers, employees, consultants, independent contractors and service providers and with respect to which Parent and the Parent Subsidiaries have no remaining liabilities.

(b) (i) All Parent Plans have been maintained and administered in all material respects in compliance with their respective terms and with the Legal Requirements that are applicable to such Parent Plans, (ii) all material contributions required to be made with respect to the Parent Plans as of the date hereof have been made or, if not yet due, are reflected in the financial statements and records of Parent and Parent Subsidiaries to the extent required by applicable accounting principles, (iii) if intended to qualify for special tax treatment, all Parent Plans meet in all material respects all the requirements for such treatment, and (iv) if required, to any extent, to be funded, book-reserved or secured by an insurance policy, all Parent Plans are fully funded, book-reserved or secured by an insurance policy, as applicable, based on reasonable actuarial assumptions in accordance with applicable accounting principles, except as would not be materially adverse to Parent and the Parent Subsidiaries, taken as a whole.

(c) Except as would not be materially adverse to Parent and the Parent Subsidiaries, taken as a whole, (i) no Action (excluding claims for benefits incurred in the ordinary course of Parent Plan activities) has been brought, or, to the knowledge of Parent, is threatened, against or with respect to any Parent Plan and (ii) there are no audits, inquiries or proceedings pending or, to the knowledge of Parent, threatened by any Governmental Authority with respect to any Parent Plan.

(d) All Parent Plans may be terminated as of the Closing. Except as set forth on Schedule 4.11(d), Parent has no liability under any Parent Plan, and neither the execution and delivery of this Agreement nor the consummation of the Transactions nor the termination of the Parent Plans will (i) result in any payment (including severance, unemployment compensation that is not covered by insurance, golden parachute, bonus, or otherwise) becoming due to any equityholder, director, consultant, or employee of Parent, (ii) materially increase any benefits otherwise payable under any Parent Plan, (iii) result in the acceleration of the time of payment or vesting of any such benefits, or (iv) result in any amount paid or payable being classified as an "excess parachute payment" that would be non-deductible under Section 280G of the Code.

(e) None of the Parent Plans is, or was within the past six (6) years, nor do Parent or any Parent ERISA Affiliates have or reasonably expect to have any liability or obligation under (i) a multiemployer plan (within the meaning of Section 3(37) or 4001(a)(3) of ERISA), (ii) a single employer pension plan (within the meaning of Section 4001(a)(15) of ERISA) subject to Section 412 of the Code and/or Title IV of ERISA, (iii) a multiple employer plan subject to Section 413(c) of the Code, (iv) a multiple employer welfare arrangement under Section 3(40) of ERISA, or (v) a Parent Plan intended to be qualified under Section 401(a) or Section 401(k) of the Code. "Parent ERISA Affiliate" means any entity that together with Parent would be deemed a "single employer" for purposes of Section 4001(b)(1) of ERISA and/or Sections 414(b), (c) and/or (m) of the Code.

(f) None of the Parent Plans provides any retiree medical to any current or former employee, officer, director, or consultant of Parent or any Parent Subsidiary after termination of employment or service, other than health continuation coverage under applicable Legal Requirement, for which the recipient pays the full premium cost of coverage.

(g) To the knowledge of Parent, there has not been any non-exempt prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) nor any reportable events (within the meaning of Section 4043 of ERISA) with respect to any Parent Plan that could reasonably be expected to result in material liability to Parent or the Parent Subsidiaries. To the knowledge of Parent, there have been no acts or omissions by Parent or any Parent ERISA Affiliate that have given or could reasonably be expected to give rise to any material fines, penalties, Taxes, or related charges under Sections 502 or 4071 of ERISA or Chapter 43 of the Code for which the Companies may be liable.

(h) Parent and each Parent ERISA Affiliate has complied in all material respects with the notice and continuation coverage requirements, and all other requirements, of Section 4980B of the Code and Parts 6 and 7 of Title I of ERISA, and the regulations thereunder, with respect to each Parent Plan that is, or was during any Tax year for which the statute of limitations on the assessment of federal income Taxes remains open, by consent or otherwise, a group health plan within the meaning of Section 5000(b)(1) of the Code.

(i) Parent and the Parent Subsidiaries and each Parent Plan that is a "group health plan" as defined in Section 733(a)(1) of ERISA is and has been in compliance, in all material respects, with the PPACA, and no event has occurred, and, to the knowledge of Parent, no condition or circumstance exists, that could reasonably be expected to subject Parent or any Parent Subsidiary to any material liability for penalties or excise Taxes under Code Section 4980D or 4980H or any other provision of the PPACA.

(j) Each Parent Plan that constitutes a nonqualified deferred compensation plan within the meaning of Section 409A(d)(1) of the Code has been operated, in all material respects, in compliance with Section 409A of the Code and the Treasury Regulations thereunder, and any subsequent guidance relating thereto, and, to the knowledge of Parent, no additional Tax under Section 409A(a)(1)(B) of the Code has been or could reasonably be expected to be incurred by a participant in any such Parent Plan. No employee of Parent or any Parent Subsidiary is entitled to any gross-up or otherwise entitled to indemnification by any of Parent or Parent Subsidiaries for any violation of Section 409A of the Code.

4.12 Superannuation.

(a) The superannuation funds identified and disclosed to CAG on Schedule 4.12(a) (the "Superannuation Funds") are the only superannuation schemes or other pension arrangements to which Parent or any of the Parent Subsidiaries contribute in relation to the directors, officers, employees of Parent and the Parent Subsidiaries.

(b) To the knowledge of Parent, each Superannuation Fund is a "complying superannuation fund" for the purposes of the Superannuation Industry (Supervision) Act 1993 (Cth) ("SIS Act") and no notice has been received otherwise in respect of those Superannuation Funds nor in respect of any superannuation funds to which contributions were made in respect of former directors, former officers, or former employees.

(c) With respect to each director, officer, employee, former director, former officer, and former employee of Parent and the Parent Subsidiaries: (i) the applicable company has provided at least the prescribed minimum level of superannuation support for that director, officer, employee, former director, former officer or former employee so as not to incur a liability for the Superannuation Guarantee Charge (as defined in the Superannuation Guarantee (Administration) Act 1992 (Cth) ("SGA Act")) and proper provision has been made for contributions payable in the current quarter for that period up to and including the Closing Date; (ii) there are no outstanding or unpaid superannuation contributions on the part of any such company for any employee or former employee however arising (including under applicable Legal Requirement, award, or Parent Contract); (iii) they have been properly offered a choice of superannuation fund to receive employer contributions payable, in accordance with the provisions of Part 3A of the SGA Act; (iv) to the knowledge of Parent, there are no outstanding or unpaid benefits currently due to any dependents or beneficiaries of any director, officer, employee, former director, former officer, or former employees of Parent or any Parent Subsidiary; and (v) there are no complaints or outstanding claims for unpaid superannuation contributions made against Parent or any Parent Subsidiary.

(d) None of Parent or any Parent Subsidiary makes any contributions (whether notional or otherwise) to, or participates in or has any liability under, any defined benefit fund and no employee or director of Parent or any Parent Subsidiary is a defined benefit member. For the purpose of this Section 4.12(d), "defined benefit member" and "defined benefit fund" have the meaning given to them under the SIS Act, but as if the reference in the definition of defined benefit fund under the SIS Act to "regulated superannuation fund" was a reference to "superannuation fund."

4.13 Labor and Employment Matters.

(a) Neither Parent nor any Parent Subsidiary is a party to any collective bargaining agreement, industrial instrument, award agreement, or other labor union contract applicable to persons employed by Parent or any Parent Subsidiary and neither Parent nor any Parent Subsidiary knows of any activities or proceedings of any labor union to organize any such employees. Except as would not, individually or in the aggregate, be material to Parent and Parent Subsidiaries, taken as a whole, (i) there are no pending grievance or similar proceedings involving Parent or any Parent Subsidiary and any of their employees and (ii) there are no continuing obligations of Parent or any Parent Subsidiary pursuant to the resolution of any such proceeding that is no longer pending.

(b) Schedule 4.13(b)(i) sets forth all of the executive officers and employees of Parent and the Parent Subsidiaries. To the knowledge of Parent, as of the date hereof, none of the officers of Parent or any Parent Subsidiary presently intends to terminate his or her employment with Parent or any Parent Subsidiary, nor does Parent or any Parent Subsidiary have any present intention to terminate the employment of any officer in connection with the Acquisition, except as set forth on Schedule 4.13(b)(ii). Except as set forth on Schedule 4.13(b)(iii), any such termination of employment will not result in any Liability to Parent (including severance, unemployment compensation that is not covered by insurance, golden parachute, bonus, or otherwise) after the Closing. To the knowledge of Parent, Parent and the Parent Subsidiaries are in compliance and, each of its employees and consultants is in compliance, with the terms of the respective employment and consulting agreements between Parent (or any Parent Subsidiary) and such individuals, in each case, except for such non-compliance that would not, individually or in the aggregate, be materially adverse to Parent and Parent Subsidiaries, taken as a whole.

(c) To the knowledge of Parent, Parent and the Parent Subsidiaries are in material compliance with all applicable laws relating to employment or termination of employment, including those related to wages, hours, compensation, terms and conditions of employment, workplace health and safety, discrimination or harassment, retaliation, human rights, pay equity, notice of termination, classification of employees, immigration, collective bargaining, and the payment and withholding of Taxes and other sums as required by the appropriate Governmental Authority.

(d) To the knowledge of Parent, except as set forth in Schedule 4.13(d), Parent and the Parent Subsidiaries have not incurred any employment-related liabilities with respect to or arising out of COVID-19 or COVID-19 Measures that would have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole. During the eighteen (18) months prior the date of this Agreement, except in connection with COVID-19 Measures or Permitted Actions, there have been no furloughs, layoffs, or salary reductions affecting any employee of Parent or any Parent Subsidiary as a result of or in response to COVID-19.

4.14 Restrictions on Business Activities. There is no agreement, commitment, or Order binding upon Parent or the Parent Subsidiaries or their respective assets or to which Parent or any of the Parent Subsidiaries are a party which has had or would reasonably be expected to have the effect of, after the Closing, prohibiting or materially impairing any business practice of Parent or the Parent Subsidiary (including the Companies), any acquisition of property by Parent or the Parent Subsidiaries (including the Companies), or the conduct by Parent or the Parent Subsidiaries (including the Companies) of the business of the Companies and the Company Subsidiaries, as currently conducted and as presently intended to be conducted, other than such effects, individually or in the aggregate, which have not had and would not reasonably be expected to have a Material Adverse Effect on Parent and the Parent Subsidiaries (including the Companies), taken as a whole.

4.15 Title to Property.

(a) Neither Parent nor any Parent Subsidiary owns any real property.

(b) Schedule 4.15(b) contains a list of all leases of material real property held by Parent or any Parent Subsidiary, all or a portion of which may be transferred to third parties in connection with the Divestiture. All leases of material real property held by Parent or any Parent Subsidiary are in full force and effect, are valid and effective in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights generally and by general principles of equity, and there is not, under any of such leases, any existing material default or event of default (or event which, with notice or lapse of time, or both, would constitute a default) by Parent or any Parent Subsidiary.

(c) Parent and the Parent Subsidiaries have legal and valid title to, or, in the case of leased material tangible personal property and assets, valid leasehold interests in, all material tangible personal property and assets of Parent and the Parent Subsidiaries, taken as a whole, to the extent used or held for use in connection with the business of Parent and the Parent Subsidiaries (the "Parent Personal Property"), all or a portion of which may be transferred to third parties in connection with the Divestiture, and all Parent Personal Property is in each case held free and clear of all Liens, except for Permitted Liens or Liens disclosed in the Parent Financial Statements or in Schedule 4.15(c), none of which Liens would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole. The Parent Personal Property, taken as a whole, other than such Parent Personal Property as is being transferred in the Divestiture, has been maintained in all material respects in accordance with generally applicable accepted industry practice and is in good working order and condition, except for ordinary wear and tear and as would not, individually or in the aggregate, reasonably be expected to be materially adverse to Parent and the Parent Subsidiaries, taken as a whole.

4.16 Intellectual Property.

(a) To the knowledge of Parent, the conduct of the business of Parent and the Parent Subsidiaries as currently conducted does not materially infringe upon or misappropriate the Intellectual Property rights of any third party. No claim has been asserted or, to the knowledge of Parent, threatened to be asserted against Parent or the Parent Subsidiaries that the conduct of the business of Parent and the Parent Subsidiaries as currently conducted infringes upon or may infringe upon or misappropriates the Intellectual Property rights of any third party.

(b) Parent and the Parent Subsidiaries currently and previously have complied in all material respects with (i) all applicable Privacy/Data Security Laws, (ii) any applicable privacy or other policies of Parent or the Parent Subsidiaries concerning the collection, dissemination, storage or use of Personal Information or other Business Data, (iii) industry standards to which Parent purports to adhere, and (iv) all contractual commitments that Parent or the Parent Subsidiaries have entered into with respect to privacy and/or data security (collectively, the "Parent Data Security Requirements"). Parent and the Parent Subsidiaries have implemented reasonable data security safeguards designed to protect the security and integrity of the Business Systems and Business Data. Parent's and the Parent Subsidiaries' employees and contractors receive reasonable training on information security issues. During the past three (3) years and as of the date of this Agreement, Parent and the Parent Subsidiaries have not (x) to the knowledge of Parent, experienced any data security breaches, unauthorized access or use of any of the Business Systems, or unauthorized acquisition, destruction, damage, disclosure, loss, corruption, alteration, or use of any Business Data; or (y) been subject to or received written notice of any audits, proceedings or investigations by any Governmental Authority or any customer, or received any material claims or complaints regarding the collection, dissemination, storage or use of Personal Information, or the violation of any applicable Parent Data Security Requirements, and, to the knowledge of Parent, there is no reasonable basis for the same.

4.17 Tax Matters.

(a) Parent and the Parent Subsidiaries (i) have timely filed (taking into account any extension of time within which to file) all Tax Returns and information regarding Tax matters required to be filed as of the date hereof and all such filed Tax Returns and information regarding Tax matters are complete and accurate in all material respects; (ii) have timely paid all Taxes that Parent and the Parent Subsidiaries are obligated to pay (and, as of the Closing, shall have paid all Taxes that Parent and the Parent Subsidiaries will be liable to pay in respect of the period up to and including the Closing Date), except with respect to Taxes that are being contested in good faith and for which adequate reserves have been provided in accordance with IFRS in the most recent consolidated financial statements of Parent, and no penalties or charges are due with respect to the late filing of any Tax Return required to be filed by or with respect to Parent or any Parent Subsidiary on or before the Closing Date; (iii) with respect to all Tax Returns filed by or with respect to Parent or any Parent Subsidiary, have not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency; (iv) as of the date hereof, do not have any deficiency, audit, examination, investigation or other proceeding in respect of Taxes or Tax matters pending or proposed or threatened in writing; and (v) have provided adequate reserves in accordance with IFRS in the most recent consolidated financial statements of Parent, for any Taxes of Parent and the Parent Subsidiaries that have not been paid, whether or not shown as being due on any Tax Return.

(b) Neither Parent nor any Parent Subsidiary is a party to, is bound by or has an obligation under any Tax sharing agreement, Tax indemnification agreement, or Tax allocation agreement (other than customary contractual provisions in financing or other commercial agreements entered into in the ordinary course of business).

(c) Parent and each Parent Subsidiary has withheld and paid to the appropriate Tax Authority all Taxes required to have been withheld and paid in connection with amounts paid or owing to any current or former employee, independent contractor, creditor, shareholder or other third party and has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes.

(d) Neither Parent nor any Parent Subsidiary has been a member of an affiliated group filing a consolidated, combined or unitary U.S. federal, state, local or foreign income Tax Return (other than the group, the common parent of which is or was Parent).

(e) Neither Parent nor any Parent Subsidiary has in any year for which the applicable statute of limitations remains open distributed stock of another Person, nor has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code.

(f) Parent and each Parent Subsidiary is, and has at all times been, in compliance in all material respects with the provisions of Sections 6011, 6111 and 6112 of the Code relating to tax shelter disclosure, registration and list maintenance and with the Treasury Regulations thereunder, and Parent has not engaged in or entered into a "listed transaction" with the meaning of Treasury Regulation Sections 1.6011-4(b)(2), 301.6111-2(b)(2) or 301.6112-1(c)(3).

(g) There are no Tax liens upon any assets of Parent or any Parent Subsidiary, except statutory liens for current Taxes not yet due and payable.

(h) Neither Parent nor any Parent Subsidiary has taken, or agreed to take, any action, and does not know of any fact, plan, or other circumstance, that is reasonably likely to prevent the qualification of the Acquisition, together with the actions set forth on Schedule 1, as a reorganization within the meaning of Section 368(a) of the Code.

(i) Parent and the Parent Subsidiaries have:

(i) complied with all obligations imposed by any Tax Law;

(ii) maintained sufficient and accurate records and all other information required to support all Tax Returns and information which has been or may be filed, lodged or submitted to any Tax Authority or is required to be kept under any Tax Law;

(iii) complied with all of their obligations under any statutory provisions requiring the deduction or withholding of Tax from amounts paid by them, whether on their own behalf or as agents, and have properly accounted for any Tax so deducted or withheld to any Tax Authority (other than amounts which have yet to become payable);

(iv) complied with all obligations to register for the purposes of any Tax Law; and

(v) complied with all obligations imposed under Tax Law in relation to the quotation of tax file numbers by employees and have not committed an offence in relation to the collection, recording, use or disclosure of tax file numbers.

(j) The only Tax liabilities of Parent and the Parent Subsidiaries that have arisen or may arise on or before the Closing Date are, or will be, liabilities arising out of their normal business and trading activities (except for the Divestiture).

(k) Parent and the Parent Subsidiaries:

(i) are not involved in any audit or investigation of any of their Tax Returns or business operations or any dispute with any Tax Authority and are not aware of any circumstances or event which may give rise to any such audit, investigation or dispute;

(ii) have not entered into or been a party to any transaction which contravenes the anti-avoidance or transfer pricing provisions of any Tax Law;

(iii) are not currently the beneficiary of any extension of time within which to file, lodge or submit any Tax Return or with respect to any Tax assessment or any Tax shortfall; and

(iv) have not in the last five (5) years been the subject of any audit by, or in dispute with, any Tax Authority.

(l) Any statement, information, Ruling, request, notice, computation, election or return which has been made, filed, lodged or submitted to a Tax Authority by Parent or the Parent Subsidiaries in respect of any Tax or Tax matter:

(i) is true, correct and complete;

(ii) discloses all material facts which should be disclosed under any relevant Tax Law;

(iii) is not false, misleading or deceptive; and

(iv) has been made, filed, lodged or submitted on time.

(m) All transactions and other dealings by Parent and the Parent Subsidiaries with a third party have been (and can be demonstrated to have been) conducted on arm’s length commercial terms.

(n) With respect to Tax losses:

(i) nothing has occurred to deny or disallow Parent or the Parent Subsidiaries a Tax deduction in respect of any:

(1) current year Tax losses; or

(2) carry forward Tax losses under any Tax Law, as at the Closing Date,

other than the entry into this Agreement.

(ii) nothing has occurred to deny or disallow a Tax deduction in respect of any prior year Tax losses allowed or claimed under any Tax Law as at the Closing Date.

(iii) To the extent that any Tax losses have been transferred to or from Parent, Parent has satisfied all relevant conditions under any Tax Law and the public officer of Parent has signed a written agreement on or before the date of lodgement of the transferee's Tax Return as required by the Tax Law.

(o) With respect to dividends, Parent:

(i) has not made a frankable distribution (as defined in section 202-40 of the Australian 1997 Tax Act) in breach of the benchmark rule (as defined in section 203-25 of the Australian 1997 Tax Act);

(ii) has not made a linked distribution (as defined in section 204-15 of the Australian 1997 Tax Act);

(iii) has not issued tax exempt bonus shares (as defined in section 204-25 of the Australian 1997 Tax Act);

(iv) has not streamed a distribution within the meaning of section 204-30 of the Australian 1997 Tax Act;

(v) has not notified, and is not required to notify, the Australian Commissioner of Taxation about variances in its benchmark franking percentage under section 204-75 of the Australian 1997 Tax Act;

(vi) is not liable, and will not be liable at or before Closing, to pay franking deficit tax imposed by the *New Business Tax System (Franking Deficit Tax) Act 2002* (Cth) in accordance with section 205-45 of the Australian 1997 Tax Act;

(vii) is not liable, and will not be liable at or before Closing, to pay over-franking tax imposed by the *New Business Tax System (Over-franking Tax) Act 2002* (Cth) in accordance with section 203-50 of the Australian 1997 Tax Act;

(viii) does not reasonably expect to have a franking deficit at Closing; and

(ix) is not a former exempting company.

(p) Parent does not have a tainted share capital account within the meaning of Division 197 of the Australian 1997 Tax Act and Parent has not taken any action that might cause Parent's share capital account to become a tainted share capital account, nor has an election been made at any time to untaint Parent's share capital account.

(q) Parent is not now, has never been, nor will it become, a member of a consolidated group (as defined in section 703-5 of the Australian 1997 Tax Act) up to the Closing Date.

(r) With respect to stamp duty:

(i) all documents required to be created by Parent and the Parent Subsidiaries under a Tax Law relating to stamp duty or a Tax of a similar nature, have been created and have had stamp duty or other Taxes of a similar nature paid in full in accordance with all applicable Tax Laws.

(ii) all documents which are liable to stamp duty or a Tax of a similar nature, or necessary to establish the title of Parent and the Parent Subsidiaries to an asset, have had stamp duty or other Taxes of a similar nature paid in full in accordance with all applicable Tax Laws.

(iii) no relief from stamp duty or a Tax of a similar nature has been improperly obtained, nor has any event occurred as a result of which any stamp duty or a Tax of a similar nature, for which Parent and the Parent Subsidiaries has obtained or been the subject of any relief from duty, has or will become payable.

(iv) neither entry into this Agreement nor the acquisition of the Parent Shares will result in the revocation (in whole or in part) of any stamp duty exemption, concession or other relief (including, but not limited to, corporate reconstruction relief) granted by a Tax Authority in respect of any document or transaction entered into by, or that relates to, Parent and the Parent Subsidiaries.

(s) With respect to GST:

(i) unless otherwise defined in this Agreement, words or expressions used in this Section 4.17(s) have the same meaning as defined in the GST Act.

(ii) Parent and the Parent Subsidiaries are not a party to any contract, deed, arrangement or understanding in respect of which they are or will become liable to pay GST without being entitled to increase the consideration payable under the contract, deed, arrangement, or understanding or otherwise seek reimbursement so that Parent and the Parent Subsidiaries retain the amount they would have retained but for the imposition of GST (unless that consideration is expressly agreed to be inclusive of GST).

(iii) each of Parent and the Parent Subsidiaries:

(1) is registered for GST under the GST Act where it is required to be registered;

(2) has complied in all material respects with the GST Act;

(3) has correctly and on a timely basis, returned GST on all taxable supplies and has no outstanding GST liabilities;

(4) has correctly claimed input tax credits on all creditable acquisitions and has held valid tax invoices in each relevant tax period in which the input tax credits were claimed and continues to hold those tax invoices as required by the GST Act; and

(5) has established internal procedures and systems necessary to ensure that its billing, accounts receivable and general ledger functions accurately capture and account for GST.

(iv) at the Closing, each of Parent and the Parent Subsidiaries holds all tax invoices, adjustment notes, recipient created tax invoices and other documents (including any relevant GST agreements, such as recipient created tax invoice agreements) that it is required to hold.

(t) Parent and each Parent Subsidiary:

(i) has not been paid any amount on account of, or in respect of, GST by any entity which it was not contractually entitled to be paid;

(ii) is not in default of any obligation to make any payment or return (including any Business Activity Statement) or notification under the GST law;

(iii) has not engaged in any avoidance scheme for the purposes of section 165-5 of the GST Act;

(iv) has not entered into any contract, deed, arrangement, or understanding which will make it exceed the financial acquisitions threshold; and

(v) has no amended assessments to which an extended or refreshed period of review could apply under section 155-70 in Schedule 1 of the *Taxation Administration Act 1953* (Cth) in respect of GST.

(u) Neither Parent nor any Parent Subsidiaries is currently, and has not previously been, a member of a GST group and neither Parent nor any Parent Subsidiary will become a member of a GST group prior to or at Closing.

4.18 Environmental Matters. Except for such matters that, individually or in the aggregate, would not reasonably be expected to result in a material liability of Parent, taken as a whole: (i) Parent and the Parent Subsidiaries are and at all times during the last two (2) years have been in compliance in all material respects with all applicable Environmental Laws; (ii) none of Parent, any Parent Subsidiary, or, to the knowledge of Parent, any third party, has caused any release of Hazardous Substances in violation of applicable Environmental Laws at any properties currently owned, leased or operated by Parent or the Parent Subsidiaries; (iii) to the knowledge of Parent, the properties formerly owned, leased or operated by Parent or the Parent Subsidiaries did not experience, and otherwise were not affected by, a release of Hazardous Substances in violation of applicable Environmental Laws during the period of ownership, leasing or operation by Parent or the Parent Subsidiaries; (iv) as of the date hereof, none of Parent or any Parent Subsidiary has received notice that it is potentially liable for performing, or covering the costs of performing, any investigation or remediation of Hazardous Substance released in violation of applicable Environmental Laws on any third party or public property (whether above, on, or below ground or in the atmosphere or water); (v) as of the date hereof, none of Parent or any Parent Subsidiary has received any written notice, demand, letter, claim, or request for information alleging that Parent or any Parent Subsidiary may be in material violation of or have material liability under any Environmental Law; (vi) none of Parent or any Parent Subsidiary is subject to any Orders or other arrangements with any Governmental Authority or subject to any contractual indemnity or other agreement with any third party requiring it to assume a material liability under any Environmental Law, including in relation to Hazardous Substances; and (vii) this Section 4.18 and Section 4.21 contain the sole representations and warranties of Parent related to environmental matters, except for such environmental matters as relate to Permitted Liens.

4.19 Agreements.

(a) Schedule 4.19(a) sets forth a complete and accurate list of all Material Parent Contracts in effect on the date of this Agreement, specifying the parties thereto, other than the Material Parent Contracts filed as exhibits to the Parent SEC Reports. For purposes of this Agreement, (i) the term "Parent Contracts" means all legally binding contracts, agreements, purchase orders, leases, mortgages, indentures, notes, and bonds, whether written or oral, to which Parent or any Parent Subsidiary is a party or by or to which any of the properties or assets of Parent or any Parent Subsidiary may be bound (including without limitation notes for borrowed money payable to Parent or any Parent Subsidiary) and (ii) the term "Material Parent Contracts" means (x) each Parent Contract (A) involving payments (present or future) to Parent and the Parent Subsidiaries in excess of $100,000 in any twelve (12) month period ending on or after the Parent Balance Sheet Date, (B) involving expenditures (present or future) by Parent and the Parent Subsidiaries in excess of $100,000 in any twelve (12) month period ending on or after the Parent Balance Sheet Date (other than any Parent Contract of employment), or (C) which would be a "material contract" as such term is defined in Item 601(b)(10) of Regulation S-K promulgated by the SEC, other than any Parent Contract to be transferred to a third party in the Divestiture, with no remaining liability (absolute, accrued, contingent or otherwise) to Parent or the Parent Subsidiaries, and (y) the limitations of subclause (x) notwithstanding, each of the following Parent Contracts:

(i) any Parent Contract to which any director or executive officer of Parent or the Parent Subsidiaries, or any entity owned or controlled by any such Person, is a party (other than employment, standard confidentiality, and similar agreements or offer letters with employees of Parent and the Parent Subsidiaries);

(ii) any mortgage, indenture, note, installment obligation or other instrument or agreement for or relating to any borrowing of money by Parent or the Parent Subsidiaries in excess of $50,000;

(iii) any guaranty, direct or indirect, by Parent or any Parent Subsidiary of any obligation of a third party (other than Parent or any Parent Subsidiary), in excess of $50,000, excluding endorsements made for collection in the ordinary course of business;

(iv) any Parent Contract of employment with any officer of Parent or providing for annual base cash compensation in excess of $50,000;

(v) any Parent Contract made other than in the ordinary course of business (x) providing for the grant of any preferential rights of first offer or first refusal to purchase or lease any material asset of Parent or any Parent Subsidiary or (y) providing for any exclusive right to sell or distribute, or otherwise relating to the sale or distribution of, any product or service of Parent or any Parent Subsidiary;

(vi) any obligation to register any shares of the capital stock or other securities of Parent with the SEC or any similar Governmental Authority;

(vii) any obligation to make payments, contingent or otherwise, arising out of the prior acquisition of the business or all or substantially all of the assets or stock of other Persons, other than Parent Contracts (A) in which the applicable acquisition has been consummated and there are no material obligations ongoing, or (B) between Parent and any Parent Subsidiary;

(viii) any collective bargaining agreement with any labor union;

(ix) any lease or similar arrangement for the use by Parent or any Parent Subsidiary of real property or Parent Personal Property, where the annual lease payments are greater than $125,000 (other than any lease of vehicles, office equipment or operating equipment made in the ordinary course of business);

(x) any Parent Contract which involves the grant to Parent or any Parent Subsidiary of a license or similar rights to any material Intellectual Property licensed to Parent or any Parent Subsidiary;

(xi) any Parent Contract which involves the grant by Parent or any Parent Subsidiary of a license or similar rights to Intellectual Property owned by Parent or any Parent Subsidiary or a sublicense or similar rights to Intellectual Property licensed to Parent or any Parent Subsidiary, other than (A) non-exclusive licenses of services to customers, resellers and distributors, (B) non-disclosure agreements entered into in the ordinary course of business, consistent with past practices, (C) non-exclusive licenses granted to vendors for the sole purpose of providing goods or services to Parent or a Parent Subsidiary, and (D) incidental non-exclusive trademark licenses granted solely for marketing or promotional purposes or rights to feedback, in each case, in the ordinary course of business consistent with past practices;

(xii) any Parent Contract under which Parent has agreed to purchase goods or services from a vendor, supplier or other Person on a preferred supplier or "most favored nation" basis or is otherwise subject to restrictions materially limiting Parent's ability to conduct business anywhere in the world, other than customary non-solicitation and no-hire provisions entered into in the ordinary course of business; and

(xiii) any agreement for the development of material Intellectual Property owned by or licensed to Parent or any Parent Subsidiary for the benefit of Parent or any Parent Subsidiary (other than employee invention assignment and confidentiality agreements entered into on Parent's standard form of such agreement made available to CAG).

(b) Except as would not or would not be reasonably expected to have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole, (i) each Material Parent Contract is a legal, valid and binding obligation of Parent or a Parent Subsidiary and, to the knowledge of Parent, the other parties thereto, except for Material Parent Contracts that will expire in accordance with their terms prior to the Closing and except for Material Parent Contracts which are transferred or terminated in connection with the Divestiture without any Liability to Parent or any Parent Subsidiary following the Closing and therefore will no longer bind or create any Liability to Parent or any Parent Subsidiary, and neither Parent nor any Parent Subsidiary is in material breach or violation of, or default under, any Material Parent Contract nor has any Material Parent Contract (other than any Material Parent Contract which is transferred or terminated in connection with the Divestiture without any Liability to Parent or any Parent Subsidiary following the Closing) been canceled by the other party thereto; (ii) to the knowledge of Parent, no other party thereto is in breach or violation of, or default under, any Material Parent Contract; and (iii) during the last twelve (12) months, none of Parent or any Parent Subsidiary has received any claim of default under any such Material Parent Contract.

4.20 Insurance. Schedule 4.20 sets forth, as of the date hereof, Parent's and the Parent Subsidiaries' material Insurance Policies. The coverages provided by Parent's and the Parent Subsidiaries' Insurance Policies are believed by Parent to be reasonably adequate in amount and scope for Parent's and the Parent Subsidiaries' business and operations, including any insurance required to be maintained by Material Parent Contracts.

4.21 Governmental Actions/Filings. Parent and the Parent Subsidiaries have been granted and hold, and have made, all material Governmental Actions/Filings (including, without limitation, Governmental Actions/Filings required for emission or discharge of effluents and pollutants into the air and the water) necessary to the conduct by Parent and the Parent Subsidiaries of their businesses (as presently conducted) or used or held for use by Parent and the Parent Subsidiaries, except for any of the foregoing that, if not granted, held or made, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole. Parent and the Parent Subsidiaries are in substantial compliance in all material respects with all of their obligations with respect to such Governmental Actions/Filings. To the knowledge of Parent, no event has occurred and is continuing which requires or permits, or after notice or lapse of time or both would require or permit, and consummation of the Transactions will not require or permit (with or without notice or lapse of time, or both), any modification or termination of any such Governmental Actions/Filings, except such events which, either individually or in the aggregate, would not have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole.

4.22 Anti-Corruption Laws.

(a) Parent and the Parent Subsidiaries are, as of the date of this Agreement, and have in the past two (2) years been in compliance with all Anti-Corruption Laws, except as would not reasonably be expected to have a Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole. None of Parent or the Parent Subsidiaries, nor to the knowledge of Parent, any of their respective officers, directors, employees, agents or other third party representatives acting on behalf of Parent or the Parent Subsidiaries has at any time made any unlawful payment or given, offered, promised, or authorized or agreed to give, any money or thing of value, directly or indirectly, to any governmental official or other Person in violation of Anti-Corruption Laws.

(b) None of Parent or the Parent Subsidiaries, nor to the knowledge of Parent, any of their respective officers, directors, employees, agents or other third party representatives acting on behalf of Parent or any Parent Subsidiary is currently, or has been in the past two (2) years: (i) a Sanctioned Person, (ii) organized, resident or located in a Sanctioned Country, (iii) engaging in any dealings or transactions with or for the benefit of any Sanctioned Person or in any Sanctioned Country, or (iv) otherwise in violation of applicable Trade Control Laws, in case of clause (iii) and (iv), that would result in material liability to Parent and the Parent Subsidiaries, taken as a whole.

(c) In the past two (2) years, none of Parent or the Parent Subsidiaries has (i) received from any Governmental Authority or any Person any notice, inquiry, or internal or external allegation; (ii) made any voluntary or involuntary disclosure to a Governmental Authority; or (iii) conducted any internal investigation or audit, in each case (i)-(iii) concerning any actual or potential violation or wrongdoing by Parent, any Parent Subsidiary, or, to the knowledge of Parent, any of their respective, officers, directors, employees, or agents related to Anti-Corruption Laws or Trade Control Laws.

4.23 Interested Party Transactions. Except as set forth in Schedule 4.23, no director, executive officer of Affiliate of Parent, or a member of his or her immediate family, is indebted to Parent for any loan, nor is Parent indebted (or committed to make loans or extend or guarantee credit) to any of such Persons for any loan, other than (i) for payment of compensation for services rendered, (ii) reimbursement for reasonable expenses incurred on behalf of Parent, and (iii) for other employee benefits made generally available to all employees. Each transaction set forth in Schedule 4.23 was entered into in compliance with Chapter 2E of the Australian Corporations Act.

4.24 Listing of Securities. The Parent Shares are listed for trading on the Nasdaq Capital Market ("Nasdaq") under the symbol "NAKD". Except as set forth in Schedule 4.24, there is no Action pending or, to Parent's knowledge, threatened against Parent by Nasdaq with respect to any intention by such entity to prohibit or terminate the listing of the Parent Shares on Nasdaq. None of Parent or any of its Affiliates has taken any action in an attempt to terminate the registration of the Parent Shares under the Exchange Act.

4.25 Board Approval; Vote Required. As of the date of this Agreement, the board of directors of Parent, by resolutions duly adopted by unanimous vote of those voting at a meeting duly called and held and not subsequently rescinded or modified in any way, has duly (i) determined that this Agreement, the Acquisition and the other Transactions are fair to and in the best interests of Parent and its shareholders, (ii) approved this Agreement, the Acquisition and the other Transactions, and (iii) recommended, subject only to there being no Parent Superior Proposal, that the shareholders of Parent approve and adopt this Agreement, the Acquisition and the other Transactions and directed that this Agreement and the Transactions be submitted for consideration by the shareholders of Parent. The only corporate vote or consent necessary to approve this Agreement, the Acquisition and the other Transactions that has not been obtained is approval of the Parent Shareholder Matters by the affirmative vote of the shareholders of Parent required under Parent's Charter Documents and the Australian Corporations Act.

4.26 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent.

4.27 No Additional Representations and Warranties. Except as otherwise expressly provided in this ARTICLE IV (as modified by the Parent Disclosure Schedule), none of Parent, the Parent Subsidiaries, their Affiliates, or their Representatives has made, or is making, any other express or implied representation or warranty whatsoever with respect to Parent, the Parent Subsidiaries, their Affiliates, or any matter relating to any of them, including their affairs, the condition, value or quality of their assets, liabilities, financial condition or results of operations, or with respect to the accuracy or completeness of any other information made available to CAG, the Companies, their Affiliates or any of their respective Representatives by, or on behalf of, Parent, and any such representations or warranties are expressly disclaimed. Without limiting the generality of the foregoing, neither Parent nor any other person on behalf of Parent has made or makes, any representation or warranty, whether express or implied, with respect to any projections, forecasts or estimates or budgets made available to CAG, the Companies, their Affiliates or any of their respective Representatives of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of Parent (including the reasonableness of the assumptions underlying any of the foregoing), whether or not included in any management presentation or in any other information made available to CAG, the Companies, their Affiliates or any of their respective Representatives or any other Person, and that any such representations or warranties are expressly disclaimed. Parent is not relying on any statement, representation or warranty, oral or written, express or implied, made by CAG or the Companies or any of their respective Representatives, except as expressly set forth in ARTICLE II (as modified by the CAG Disclosure Schedule) or in ARTICLE III (as modified by the Company Disclosure Schedule).

ARTICLE V
CONDUCT OF BUSINESS PRIOR TO THE CLOSING DATE

5.01 Conduct of Business by the Companies and Parent. During the period from the date of this Agreement and continuing until the earlier of the valid termination of this Agreement pursuant to its terms and the Closing, except to the extent that Parent (in the case of a request by CAG on behalf of the Companies or the Company Subsidiaries) or CAG (in the case of a request by Parent on behalf of itself or the Parent Subsidiaries) shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed), or as set forth in Schedule 5.01 of the Company Disclosure Schedule or the Parent Disclosure Schedule ("Schedule 5.01"), or in connection with COVID-19 Measures or Permitted Actions, or as otherwise explicitly contemplated by this Agreement or the other Transaction Documents, or required pursuant to a Legal Requirement, each of the Companies, the Company Subsidiaries, Parent and the Parent Subsidiaries shall use its reasonable best efforts to carry on its business in the usual, regular and ordinary course consistent with past practices and in compliance with all applicable Legal Requirements and use its commercially reasonable efforts consistent with past practices and policies to (i) preserve substantially intact its present business and operations and goodwill, (ii) keep available the services of its respective present key officers and employees and (iii) preserve its relationships with key customers, suppliers, distributors, licensors, licensees, and others with which it has significant business dealings. In addition, during the period from the date of this Agreement and continuing until the earlier of the valid termination of this Agreement pursuant to its terms or the Closing, except to the extent that Parent (in the case of a request by CAG on behalf of the Companies or the Company Subsidiaries) or CAG (in the case of a request by Parent on behalf of itself or the Parent Subsidiaries) shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed) or as set forth in Schedule 5.01, or in connection with COVID-19 Measures or Permitted Actions, or as otherwise explicitly contemplated by this Agreement or the other Transaction Documents, or required pursuant to a Legal Requirement, none of the Companies, the Company Subsidiaries, Parent or the Parent Subsidiaries shall do any of the following:

(a) waive any stock repurchase rights, accelerate, amend or change the period of exercisability of options or restricted stock, or reprice options granted under any employee, consultant, director or other stock plans or authorize cash payments in exchange for any options granted under any of such plans, excluding cash payments to residents of the PRC for CAG Options settled in cash;

(b) grant any material severance or termination pay to (i) any officer or (ii) any employee, except pursuant to applicable Legal Requirement, written agreements outstanding, or Company Plans or Company policies or Parent Plans or Parent policies, as applicable, existing on the date hereof and as disclosed or made available on or prior to the date hereof to the other Party, or in the case of the Companies and Company Subsidiaries, except in connection with the promotion, hiring or firing of any employee in the ordinary course of business consistent with past practice;

(c) transfer or license to any Person or otherwise extend, amend or modify any material rights to any material Intellectual Property or enter into grants to transfer or license to any Person future Intellectual Property rights, other than in the ordinary course of business consistent with past practice;

(d) declare, set aside or pay any dividends on or make any other distributions (whether in cash, stock, equity securities or property) in respect of any capital stock (other than any such dividend or distribution by a Company Subsidiary to a Company or another such Company Subsidiary or by a Parent Subsidiary to Parent or another such Parent Subsidiary), or reclassify, combine, split, subdivide, or redeem any capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock (other than the consolidation of Parent's share capital contemplated by the Parent Shareholder Matters);

(e) purchase, redeem or otherwise acquire, directly or indirectly, any shares of capital stock or any other equity securities or ownership interests of any Company or Company Subsidiary or Parent or Parent Subsidiary, as applicable;

(f) issue, deliver, sell, authorize, pledge, amend, exchange, settle or otherwise encumber, or agree to any of the foregoing with respect to, any shares of capital stock or other equity securities or ownership interests or any securities convertible into or exchangeable for shares of capital stock or other equity securities or ownership interests, or subscriptions, rights, warrants or options to acquire any shares of capital stock (other than in connection with the exercise of the CAG Options) or other equity securities or ownership interests or any securities convertible into or exchangeable for shares of capital stock or other equity securities or other ownership interests, or enter into other agreements or commitments of any character obligating it to issue any such shares, equity securities or other ownership interests or convertible or exchangeable securities of any Company or Company Subsidiary or Parent or Parent Subsidiary;

(g) amend any Charter Documents in any material respect;

(h) acquire or agree to acquire by merging or consolidating with, or by purchasing any equity interest in or a material portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire outside the ordinary course of business any assets which are material, individually or in the aggregate, to the business of the Company Group, taken as a whole, or Parent and the Parent Subsidiaries, taken as a whole, as applicable. For purposes of this paragraph, “material” includes the requirement that, as a result of such transaction, financial statements of the acquired, merged or consolidated entity be included in the Notice of Meeting;

(i) except in the ordinary course of business consistent with past practice, enter into any joint ventures, strategic partnerships or alliances or other arrangements that provide for exclusivity of territory or otherwise restrict such Party’s ability to compete or to offer or sell any products or services to other Persons;

(j) sell, lease, license, encumber or otherwise dispose of any properties or assets, except (i) nonexclusive licenses or sales in the ordinary course of business consistent with past practice, (ii) the incurrence of Permitted Liens, (iii) pursuant to existing Company Contracts delivered or made available to Parent, and (iv) the sale, lease or disposition of property or assets that are not material, individually or in the aggregate, to the business of the Company Group, taken as a whole, or of Parent and the Parent Subsidiaries, taken as a whole, as applicable;

(k) adopt a plan of, or otherwise enter into or effect a, complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of the Companies, the Company Subsidiaries, Parent or the Parent Subsidiaries (other than the as contemplated by this Agreement and the Transactions);

(l) incur, create, assume, refinance or forgive any indebtedness for borrowed money in excess of $1,000,000 or guarantee any such indebtedness of another Person or Persons, issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt securities of the Companies or the Company Subsidiaries or of Parent or the Parent Subsidiaries, as applicable, enter into any “keep well” or other agreement to maintain any financial statement condition, or enter into any arrangement having the economic effect of any of the foregoing, in each case, except the Parent Loan and, in the case of the Companies and the Company Subsidiaries, (i) extensions of credit in the ordinary course with employees and among the Companies and Company Subsidiaries, (ii) loans or advances to channel partners in the ordinary course of business, (iii) indebtedness refinanced in the same or lesser amount as of the date hereof, and (iv) indebtedness incurred following the date hereof that results in a total amount of indebtedness that is less than or equal to the sum of the aggregate amount of indebtedness as of the date hereof plus $1,000,000;

(m) except as otherwise required by applicable Legal Requirement or pursuant to an existing Company Plan, Company Contract or Company policy (provided such document has been made available to Parent) or pursuant to an existing Parent Plan, Parent Contract or Parent policy (provided such document has been made available to CAG), as applicable, (i) adopt or materially amend any such plan (including any such plan that provides for severance), or enter into any employment contract, except in connection with the promotion, hiring, or firing of any employee in the ordinary course of business consistent with past practice, or collective bargaining agreement, (ii) pay any special bonus or special remuneration to any director or employee, except in the ordinary course of business consistent with past practice, or (iii) materially increase the salaries or wage rates or fringe benefits (including rights to severance or indemnification) of its directors, officers, employees or consultants, except in the ordinary course of business consistent with past practice;

(n) (i) pay, discharge, settle or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), or Action (whether or not commenced prior to the date of this Agreement), other than the payment, discharge, settlement or satisfaction of any claims, liabilities or obligations (A) in the ordinary course of business consistent with past practice or (B) that are covered by insurance, provided, in each case, such discharge, settlement or satisfaction involves only the payment of money damages and such amounts in the aggregate do not exceed $500,000, or (ii) waive the benefits of, agree to modify in any material manner, terminate, release any Person from or knowingly fail to enforce any material confidentiality or similar agreement to which any Company or Company Subsidiary is a party or of which any Company or Company Subsidiary is a beneficiary (other than with customers and other counterparties in the ordinary course of business consistent with past practice) or to which Parent or any Parent Subsidiary is a party or of which Parent or any Parent Subsidiary is a beneficiary, as applicable;

(o) except in the ordinary course of business consistent with past practice, enter into, modify in a manner materially adverse to the Companies and the Company Subsidiaries or Parent and the Parent Subsidiaries, as applicable, or terminate (other than in accordance with its terms) any Material Company Contract or Material Parent Contract, as applicable, or waive, delay the exercise of, release or assign any material rights or claims thereunder;

(p) except as required by Legal Requirement, U.S. GAAP, or IFRS, as the case may be, revalue any of its assets in any material manner or make any material change in accounting methods, principles or practices;

(q) make or rescind any Tax elections that, individually or in the aggregate, would be reasonably likely to adversely affect in any material respect the Tax liability or Tax attributes of such Party, settle or compromise any material income tax liability outside the ordinary course of business or, except as required by applicable law, change any material method of accounting for Tax purposes or prepare or file any Tax Return in a manner materially inconsistent with past practice;

(r) form or establish any subsidiary, except in the ordinary course of business consistent with past practice, or enter into any new line of business;

(s) exercise, or permit the administrator of any Company Plan or Parent Plan, as applicable, to exercise, any of its discretionary rights under any Company Plan or Parent Plan, as applicable, to provide for the automatic acceleration of any outstanding options, the termination of any outstanding repurchase rights or the termination of any cancellation rights issued pursuant to such Plan, except as contemplated by this Agreement;

(t) make capital expenditures (i) materially in excess of budgeted amounts previously disclosed to the other Party in writing or (ii) in excess of $1,000,000 in the aggregate;

(u) enter into any material transaction with or distribute or advance any assets or property to any of its officers, directors, partners, equityholders, managers, members or other Affiliates, other than (i) the payment of salary and benefits and the advancement of expenses in the ordinary course of business consistent with prior practice and (ii) such transactions, distributions, or advancements by a Company Subsidiary to a Company or another Company Subsidiary or by a Parent Subsidiary to Parent or another Parent Subsidiary; or

(v) agree in writing or otherwise agree or commit to take any of the actions described in Section 5.01(a) through (u) above.

Notwithstanding anything in this Section 5.01 or this Agreement to the contrary, nothing set forth in this Agreement shall give Parent, directly or indirectly, the right to control or direct the operations of the Company or the Company's Subsidiaries prior to the Closing, and nothing set forth in this Agreement shall give Company, directly or indirectly, the right to control or direct the operations of Parent or the Parent Subsidiaries prior to the Closing, and

ARTICLE VI
ADDITIONAL AGREEMENTS

6.01 Notice of Meeting; Extraordinary General Meeting.

(a) As promptly as practicable after the execution of this Agreement, subject to receipt of the CAG Information, Parent shall prepare and file with ASIC under the Securities Act, and with all other applicable regulatory bodies, a notice of meeting (the "Notice of Meeting") for the purpose of convening an extraordinary general meeting of the holders of Parent Shares (the "Extraordinary General Meeting") to consider and, if thought fit, vote in favor of (A) an ordinary resolution of shareholders of Parent to approve the acquisitions of Relevant Interests by way of the issuance of the Acquisition Shares to CAG and, to the extent required, the Distribution of those shares by CAG to the holders of the shares of CAG, and by way of the lock-up agreements executed pursuant to Section 1.12, for the purposes of Item 7 of Section 611 of the Australian Corporations Act and for all other purposes, (B) a special resolution (as such term is defined in the Australian Corporations Act) of shareholders of Parent to approve the change of Parent's name from "Naked Brand Group Limited" to "Cenntro Electric Group Limited", (C) the approval by special resolution (as such term is defined in the Australian Corporations Act) of shareholders of Parent to approve amendments to Parent's constitution to permit three staggered classes of directors, (D) an ordinary resolution of shareholders of Parent to approve the consolidation of Parent's share capital at a ratio to be mutually agreed between the Parties, (E) an ordinary resolution of shareholders of Parent to approve the election of directors identified pursuant to Section 6.13, and (F) resolutions of shareholders of Parent to approve any other proposals reasonably agreed by Parent and CAG to be necessary or appropriate in connection with the Transactions (collectively, the "Parent Shareholder Matters").

(b) Each of Parent, CAG, and the Companies shall use its reasonable best efforts to: (i) cause the Notice of Meeting to comply in all material respects with the Australian Corporations Act and relevant ASIC regulatory guidance, class orders, instruments of relief or other policy statements issued by ASIC; (ii) promptly furnish to the other Party the CAG Information or Parent Information, as applicable; provided, however, that Parent shall not use any such information for any purpose other than those contemplated by this Agreement unless: (A) Parent obtains the prior written consent of CAG and the Companies to such use or (B) to the extent that use of such information is required to avoid violation of applicable Legal Requirements, (iii) promptly notify the other of, cooperate with each other with respect to, and mutually agree upon (such agreement not to be unreasonably withheld, conditioned or delayed by Parent, CAG, or the Companies) any response and respond promptly to any comments of ASIC or its staff; and (iv) cooperate and mutually agree upon (such agreement not to be unreasonably withheld, conditioned or delayed by Parent, CAG, or the Companies) any amendment or supplement to the Notice of Meeting. Parent will advise CAG, promptly after Parent receives notice, of any request by ASIC for amendment or supplement of the Notice of Meeting or comments thereon or requests by ASIC for additional information, and shall promptly supply CAG with copies of all correspondence between Parent or any of its Representatives and ASIC with respect to the Notice of Meeting.

(c) CAG shall use commercially reasonable efforts to take all actions required under any applicable federal, state, or foreign securities laws in connection with the issuance of Acquisition Shares by Parent pursuant to the Acquisition, as soon as reasonably practical after a reasonable request from Parent, and shall otherwise use reasonable efforts to assist and cooperate with Parent as reasonably requested by Parent. At a reasonable time prior to the filing of the Notice of Meeting or any amendment or supplement thereto, CAG and its counsel shall be given a reasonable opportunity to review and comment thereon and give its consent to the form thereof (such consent not to be unreasonably withheld, conditioned or delayed), and Parent shall accept and incorporate all reasonable comments from CAG to the Notice of Meeting prior to filing thereof. Parent shall provide CAG and its counsel with (i) any comments or other communications, whether written or oral, that Parent or its counsel may receive from time to time from ASIC or its staff with respect to the Notice of Meeting promptly after receipt of those comments or other communications and (ii) a reasonable opportunity to participate in the response of Parent to those comments or to provide comments on that response (to which reasonable and good faith consideration shall be given), including by participating with Parent or their counsel in any discussions or meetings with ASIC. Furthermore, CAG and Parent shall cooperate and mutually agree upon (such agreement not to be unreasonably withheld, conditioned or delayed) any response to ASIC comments on the Notice of Meeting or requests from ASIC for additional information. The Notice of Meeting shall include a responsibility statement, in a form to be agreed by the Parties, that will contain words to the effect that (x) Parent has provided, and is responsible for, the information identified as the "Parent Information" and that CAG does not assume any responsibility for the accuracy or completeness of that Parent Information, and (y) CAG has provided, and is responsible for, the information identified as the "CAG Information" and Parent does not assume any responsibility for the accuracy or completeness of that CAG Information.

(d) Parent represents that the information supplied by or on behalf of Parent for inclusion in the Notice of Meeting, as amended and supplemented, shall not, (i) at the time the Notice of Meeting (or any amendment thereof or supplement thereto) is first mailed to the shareholders of Parent, or (ii) at the time of the Extraordinary General Meeting, contain any untrue statement of a material fact or fail to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If, at any time prior to the date of the Extraordinary General Meeting, any event or circumstance relating to Parent or its officers or directors, should be discovered by Parent which should be set forth in an amendment or a supplement to the Notice of Meeting, Parent shall promptly inform CAG, and the Parties shall cooperate in the prompt filing by Parent of an appropriate amendment or supplement describing such information with ASIC. All information provided by Parent in documents that Parent is responsible for filing or lodging with ASIC in connection with the Acquisition or the other Transactions (other than information provided by CAG or the Companies for inclusion in such documents) will comply as to form and substance in all material respects with the applicable requirements of the Australian Corporations Act and the rules and regulations thereunder (including ASIC regulatory guidance, class orders, instruments of relief or other policy statements issued by ASIC).

(e) CAG and the Companies represent that the information supplied by or on behalf of CAG and the Companies for inclusion in the Notice of Meeting, as amended and supplemented, shall not, (i) at the time the Notice of Meeting (or any amendment thereof or supplement thereto) is first mailed to the shareholders of Parent, or (ii) at the time of the Extraordinary General Meeting, contain any untrue statement of a material fact or fail to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If, at any time prior to the date of the Extraordinary General Meeting, any event or circumstance relating to CAG or the Companies, or their respective officers or directors, should be discovered by CAG or the Companies which should be set forth in an amendment or a supplement to the Notice of Meeting, CAG shall promptly inform Parent, and the Parties shall cooperate in the prompt filing by Parent of an appropriate amendment or supplement describing such information with the ASIC. All information provided by CAG or the Companies for inclusion in documents that Parent is responsible for filing with the ASIC in connection with the Acquisition or the other Transactions (other than information provided by Parent for inclusion in such documents) will comply as to form and substance in all material respects with the applicable requirements of the Australian Corporations Act and the rules and regulations thereunder (including ASIC regulatory guidance, class orders, instruments of relief or other policy statement issued by ASIC).

(f) As promptly as practicable after the Notice of Meeting has been approved by ASIC, Parent shall (i) call the Extraordinary General Meeting for the purpose of voting upon the approval of the Parent Shareholder Matters, (ii) distribute the Notice of Meeting to the shareholders of Parent, and shall duly (1) give notice of and (2) convene and hold the Extraordinary General Meeting, in accordance with the Charter Documents of Parent, the Australian Corporations Act and applicable rules of Nasdaq for a date no later than thirty (30) days following the such approval, (iii) solicit proxies from the holders of the Parent Shares to vote in favor of each of the Parent Shareholders Matters, and (iv) take all other action necessary or advisable to secure the required vote or consent of its shareholders, including engaging a proxy solicitor reasonably acceptable to CAG to solicit proxies from the holders of the Parent Shares for approval of the Parent Shareholder Matters; provided that Parent shall not be obligated to incur unreasonable cost and expense to solicit proxies from shareholders who hold less than 1,000,000 Parent Shares. Notwithstanding the foregoing, Parent shall promptly engage a proxy solicitor reasonably acceptable to CAG to solicit such proxies if requested in writing by CAG to do so, subject to the expense proviso in the foregoing sentence. Parent shall keep CAG fully updated with respect to all proxy solicitation matters in connection with Extraordinary General Meeting as reasonably requested by CAG, including providing daily written reports regarding the voting results in relation to the Parent Shareholder Matters. Parent shall comply with all applicable provisions of and rules under the Exchange Act and all applicable provisions of the Australian Corporations Act and the rules and regulations thereunder in the preparation, filing and distribution of the Notice of Meeting, the solicitation of proxies thereunder, and the calling and holding of the Extraordinary General Meeting. Notwithstanding the foregoing, Parent shall be entitled to make one or more successive postponements or adjournments of the Extraordinary General Meeting (1) to ensure that any supplement or amendment to the Notice of Meeting that Parent has determined in good faith, after consultation with its outside legal advisors, is required to satisfy any applicable Legal Requirement is timely distributed to the shareholders of Parent, or (2) if, on a date for which the Extraordinary General Meeting is scheduled, Parent reasonably determines that there are insufficient votes in favor of each of the Parent Shareholder Matters. The board of directors of Parent shall, by unanimous approval recommend to Parent's shareholders that they approve the Parent Shareholders Matters, subject only to there being no Parent Superior Proposal, and shall include such recommendation in the Notice of Meeting. The board of directors of Parent shall not withdraw, amend, qualify, or modify its recommendation to the shareholders of Parent that they vote in favor of each of the Parent Shareholders Matters (together with any withdrawal, amendment, qualification, or modification of its recommendation to the shareholders of Parent, a "Parent Modification in Recommendation"), unless, if at any time prior to obtaining approval of the shareholders of Parent as to the Parent Shareholders Matters, there is a Parent Superior Proposal and the board of directors of Parent determines in good faith and acting reasonably, having received legal advice from its outside legal counsel (who must be reputable advisors experienced in transactions of this nature) that failing to do so would constitute a breach of their fiduciary or statutory duties to Parent shareholders, that (A) does not arise from a violation of Section 6.05 and (B) (x) first occurs after the date hereof or (y) first is actually known (and not constructively known) by the board of directors of Parent following the date hereof, so long as Parent shall not have breached Section 6.05, the board of directors of Parent may make a Parent Modification in Recommendation solely to the extent necessary as to not violate its fiduciary duties under applicable Legal Requirements, including to ensure that any supplement or amendment to the Notice of Meeting that Parent has determined in good faith is required to satisfy any applicable Legal Requirement is timely distributed to the shareholders of Parent. Notwithstanding the foregoing, the board of directors of Parent may not make a Parent Modification in Recommendation, unless Parent notifies CAG in writing at least five (5) Business Days before taking that action of its intention to do so, and specifies the reasons therefor, and negotiates, and causes its financial and legal advisors to, negotiate with CAG in good faith during such five (5) Business Days period (to the extent CAG seeks to negotiate) regarding any revisions to the terms of the Acquisition and, following such good faith negotiations, the board of directors of Parent determines in good faith, based on the advice of its outside legal counsel and financial advisers, that a failure to make a Parent Modification in Recommendation would constitute a breach by the board of directors of Parent of its fiduciary duties under applicable Legal Requirements.

6.02 Access to Information; Confidentiality.

(a) Except for any information which in the opinion of legal counsel would result in the loss of attorney-client privilege or other privilege from disclosure, or would violate any legally-binding obligation to a third party with respect to confidentiality, non-disclosure, or privacy (it being understood that the applicable Party shall use commercially reasonable efforts to obtain a waiver of such obligations), or would contravene applicable Legal Requirements, from the date of this Agreement until the Closing Date, the Companies and Parent shall (and shall cause their respective subsidiaries to): (i) provide to the other Party and the other Party's officers, directors, employees, members, managers, partners, equityholders, accountants, consultants, legal counsel, advisors, agents and other representatives (collectively, "Representatives"), at the other Party's expense, access at reasonable times upon prior notice to the officers, employees, agents, properties, offices and other facilities of such Party and its subsidiaries and to the books and records thereof; provided that any such access shall be subject to and limited to the extent that a Party reasonably determines in good faith, in light of the COVID-19 pandemic (taking into account any "shelter-in-place" or similar order issued by a Governmental Authority), that such access would jeopardize the health and safety of any Representative of such Party; and (ii) furnish promptly to the other Party such information concerning the business, properties, contracts, assets, liabilities, personnel and other aspects of such Party and its subsidiaries as the other Party or its Representatives may reasonably request. Anything in this Agreement to the contrary notwithstanding, prior to the Closing, without the express prior written consent of the other Party, which consent may be withheld for any reason, no Party, nor any of their officers, directors, employees, auditors or other agents (A) shall contact any customers, vendors or suppliers of the other Party or any of its Subsidiaries for any reason related to this Agreement, the Transactions or the other Party or its Subsidiaries or the business of the other Party, or (B) shall have any right to perform sampling or any invasive or subsurface investigations of any properties or facilities of the other Party or any of its subsidiaries.

(b) All information obtained by the Parties pursuant to this Section 6.02 and otherwise shall be kept confidential in accordance with the Mutual Confidentiality Agreement, dated August 8, 2021, between CAG and Parent (the "Confidentiality Agreement"). The terms of the Confidentiality Agreement are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time the Confidentiality Agreement shall terminate (other than the terms that survive the termination of the Confidentiality Agreement as set forth therein). If this Agreement is, for any reason, validly terminated prior to the Closing, the Confidentiality Agreement shall continue in full force and effect. CAG hereby consents to the disclosure of the information related to CAG and the Companies included in the Notice of Meeting in accordance with Section 6.01.

(c) No investigation pursuant to this Section 6.02 shall affect any representation or warranty in this Agreement of any Party hereto or any condition to the obligations of the Parties.

6.03 Financial Information.

(a) As soon as reasonably practicable following the end of each fiscal quarter of Parent or the Companies that occurs during the period from the date of this Agreement and continuing until the earlier of the valid termination of this Agreement pursuant to its terms or the Closing, Parent or the Companies, as the case may be, shall deliver to CAG or Parent, as the case may be, a true and complete copy of the financial statements (including any related notes thereto) of Parent or the Companies, as the case may be, which shall be unaudited in the case of interim financial statements and shall be prepared in accordance with IFRS or U.S. GAAP, as the case may be, applied on a consistent basis in accordance with past practice throughout the periods involved (except as may be indicated therein or in the notes thereto), and shall fairly present in all material respects the financial position of Parent or the Companies, as the case may be, at the respective dates thereof and the results of their operations, changes in equity and cash flows for the respective periods indicated. In addition, within twenty (20) Business Days after the end of each month between the date hereof and the earlier of the Closing Date and the date on which this Agreement is validly terminated pursuant to its terms, Parent or the CAG, as the case may be, shall deliver to CAG or Parent, as the case may be, unaudited financial statements of Parent or the Companies, as the case may be, for such month.

(b) During the period from the date of this Agreement and continuing until the earlier of the valid termination of this Agreement pursuant to its terms or the Closing, CAG and the Companies or Parent and the Parent Subsidiaries, as the case may be, will, and will use commercially reasonable efforts to cause the Companies' auditors or Parent's auditors, as the case may be (subject to any required access agreement or arrangement), to (i) continue to provide Parent and its advisors or CAG and its advisors, as the case may be, reasonable access to all of the financial information used in the preparation of the Company Financial Statements and the Parent Financial Statements and the financial information furnished pursuant to Section 6.03 hereof and (ii) reasonably cooperate with any reviews performed by Parent or its advisors or CAG and its Representatives, as the case may be, of any such Company Financial Statements or Parent Financial Statements, as the case may be, or such other relevant information; provided that Parent and its Representatives execute any customary non-reliance or similar agreement reasonably requested by the Company's auditor; provided, further, that CAG and the Companies shall be entitled to attend any meeting and be copied on any correspondence between Parent or any of its Representatives and the auditor.

6.04 Required Information.

(a) In connection with the preparation of any press release, filing, notice, or application, including any prospectus or similar offering document delivered or filed in connection with the Additional Financings (other than pursuant, to the HSR Act, for which Section 6.09 applies, and other than the Notice of Meeting, for which Section 6.01 applies), made by or on behalf of Parent, CAG, or the Companies to any Governmental Authority or other third party in connection with the Acquisition and the other Transactions (each, a "Reviewable Document"), each of CAG, the Companies, Parent shall, upon request by the other (subject to applicable law and contractual restrictions), furnish the other with true, complete and accurate information concerning themselves, their subsidiaries, and each of their and their subsidiaries' respective directors, officers, and equityholders (including the directors and officers of Parent to be elected or appointed effective as of the Closing pursuant to Section 6.13 hereof) and such other matters as may be reasonably necessary or advisable in connection with the preparation of the Reviewable Document.

(b) At a reasonable time prior to the filing, issuance, or other submission or public disclosure of a Reviewable Document by CAG, the Companies, Parent, the other Party shall each be given a reasonable opportunity to review and comment upon such Reviewable Document and give its prior written consent to the form thereof, such consent not to be unreasonably withheld, conditioned or delayed, and each Party shall accept and incorporate all reasonable comments from the other Party to any such Reviewable Document prior to filing, issuance, submission or disclosure thereof. Any language included in a Reviewable Document that reflects the comments of the reviewing party, as well as any text as to which the reviewing party has not commented upon after being given a reasonable opportunity to comment, shall be deemed to have been approved by the reviewing party and may henceforth be used by other party in other Reviewable Documents and in other documents distributed by the other party in connection with the Transactions without further review or consent of the reviewing party.

(c) Prior to the Closing Date, CAG and Parent shall notify each other as promptly as reasonably practicable (i) upon obtaining knowledge of any event or circumstance which should be described in an amendment of, or supplement to, a Reviewable Document that has been filed with or submitted to the Governmental Authority, and (ii) after the receipt by it of any written or oral comments of the Governmental Authority on, or of any written or oral request by the Governmental Authority for amendments or supplements to, any such Reviewable Document, and shall promptly supply the other with copies of all correspondence between it or any of its Representatives and the Governmental Authority with respect to any of the foregoing filings or submissions. Parent and CAG shall use their respective commercially reasonable efforts, after consultation with each other, to resolve all such requests or comments with respect to any Reviewable Document as promptly as reasonably practicable after receipt of any requests or comments of the Governmental Authority. All correspondence and communications to the Governmental Authority made by Parent or the Companies with respect to the Transactions or any Transaction Document shall, to extent permitted by applicable law, be considered to be Reviewable Documents subject to the provisions of this Section 6.04.

(d) Each Party warrants and represents to the other Party that all information provided for inclusion in a Reviewable Document shall, as of the date of the filing of the Reviewable Document, be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(e) The Companies and Parent will each use all reasonable efforts to cause to be delivered to each other consents from their respective independent auditors, in form reasonably satisfactory to the recipient and customary in scope and substance for consents delivered by independent public accountants in connection with a Reviewable Document for which such consent is required.

6.05 No Solicitation. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to its terms or the Closing, (a) CAG and the Companies will not, and will cause their respective controlled Affiliates, and Representatives not to, directly or indirectly, solicit or enter into discussions or transactions with, or knowingly encourage, or provide any nonpublic information to, any Person (other than Parent and its designees) concerning any merger, consolidation, sale of ownership interests in and/or a material portion of the assets of the Companies (other than assets sold in the ordinary course of business or as set forth on Schedule 5.01), or recapitalization or similar business combination transaction involving the Companies, and (b) except for the Divestiture and the Additional Financings, Parent will not, and will cause their respective controlled Affiliates and Representatives not to, directly or indirectly, solicit or enter into discussions or transactions with, or knowingly encourage, or provide any nonpublic information to, any Person (other than CAG and its designees) concerning any merger, consolidation, sale of ownership interests in and/or a material portion of the assets of Parent or any Parent Subsidiary, recapitalization or similar business combination transaction involving Parent or any Parent Subsidiary. In addition, (i) CAG and the Companies will, and will cause their respective controlled Affiliates and Representatives to, immediately cease any and all existing discussions or negotiations with any Person conducted heretofore with respect to any alternative transaction described in clause (a) above, and (ii) Parent will, and will cause its respective controlled Affiliates and Representatives to, immediately cease any and all existing discussions or negotiations with any Person conducted heretofore with respect to any alternative transaction described in clause (b) above. CAG will promptly (and in any event within two (2) Business Days of receipt) notify Parent if CAG receives, or, to the knowledge of the Companies, if any of its or its controlled Affiliates or Representatives receives, after the date of this Agreement, any proposal, offer, submission or request for information with respect to a transaction described in clause (a) above. Parent will promptly (and in any event within two (2) Business Days of receipt) notify CAG if Parent receives, or, to the knowledge of Parent, if any of its or its controlled Affiliates or Representatives receives, after the date of this Agreement, any proposal, offer, submission or request for information with respect to a transaction described in clause (b) above. Notwithstanding the foregoing, prior to obtaining the CAG Shareholder Approval, clause (a) above does not prohibit any action or inaction by CAG in relation to an actual CAG Competing Proposal that the board of directors of CAG has determined, in good faith after receiving advice from its outside counsel, is likely to result in a CAG Superior Proposal, and compliance with the non-solicitation prohibition in this Section would, in the opinion of a majority of the directors of CAG, formed in good faith after consulting with their external legal advisers, constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors; provided that the actual CAG Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause (a) above. Notwithstanding the foregoing, prior to obtaining approval of the shareholders of Parent as to the Parent Shareholders Matters, clause (b) above does not prohibit any action or inaction by Parent in relation to a Parent Competing Proposal; provided that the board of directors of Parent has determined, in good faith after receiving advice from its outside legal counsel, that (i) the Parent Competing Proposal is, or would reasonably be expected to become, a Parent Superior Proposal and (ii) failing to respond to the Parent Competing Proposal would constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors; provided that the actual Parent Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause (b) above. The Parties agree that the rights and remedies for noncompliance with this Section 6.05 include specific performance, it being acknowledged and agreed that any breach or threatened breach will cause irreparable injury to the non-breaching party and that money damages would not provide an adequate remedy for such injury. The Parties must not make or cause or permit to be made, any application to a court or the Australian Takeovers Panel for or in relation to whether this Section 6.05 constitutes, or would constitute, a breach of the fiduciary or statutory duties of the directors of Parent, constitutes, or would constitute, ‘unacceptable circumstances’ within the meaning of the Australian Corporations Act, or is, or would be, unlawful for any other reason.

6.06 Directors' and Officers' Indemnification and Insurance.

(a) The exculpation, indemnification, and advancement of expense provisions set forth in the Charter Documents of the Companies, the Company Subsidiaries, Parent and the Parent Subsidiaries, as in effect immediately prior to the Closing, shall not be amended, repealed or otherwise modified for a period of six years from the Closing Date in any manner that would affect adversely the rights thereunder of individuals who, at or prior to the Closing Date, were directors, officers, employees, fiduciaries or agents of the Companies, the Company Subsidiaries, Parent or the Parent Subsidiaries. All rights to exculpation, indemnification and advancement of expenses for acts or omissions occurring prior to the Closing Date now existing in favor of the current or former directors or officers of the Companies, the Company Subsidiaries, Parent and the Parent Subsidiaries, as provided in their respective Charter Documents and/or any indemnification or similar agreements and/or arrangements, shall survive the Acquisition and shall continue in full force and effect in accordance with their terms.

(b) For a period of six (6) years after the Closing Date, Parent shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Parent and the Companies, respectively (or policies of at least the same coverage and amounts containing terms and conditions which are no less advantageous), with respect to claims arising from facts and events that occurred prior to the Closing Date. In the alternative, Parent may obtain a "tail" insurance policy that provides coverage for at least a six-year period from the Closing Date, for the benefit of the current officers and directors of Parent with respect to claims arising from acts, events or omissions that occurred at or prior to the Closing, including with respect to the Transactions (the "D&O Tail Insurance"), with coverage and amounts and containing terms and conditions that are customary and prudent under the circumstances. The premium for such D&O Tail Insurance shall be paid for by Parent (which amount, for the avoidance of doubt, shall not be deducted from Cash for the purposes of Section 7.03(j) and shall not be considered a Liability for the purposes of Section 7.03(l)). Parent shall cause such D&O Tail Insurance to be maintained in full force and effect, for its full term, and shall honor, and cause its subsidiaries and Affiliates to honor, all obligations thereunder, and Parent shall timely pay or cause to be paid all premiums with respect to the D&O Tail Insurance that have not been paid.

(c) If Parent or the Companies or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of Parent or the Companies, as applicable, assume the obligations set forth in this Section 6.06.

(d) The provisions of this Section 6.06 are intended to be for the benefit of, and shall be enforceable by, each Person who will have been a director or officer of Parent or the Companies for all periods ending on or before the Closing Date and may not be changed without the consent of such director or officer.

6.07 Notification of Certain Matters. CAG shall give prompt notice to Parent, and Parent shall give prompt notice to CAG, of (a) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which could reasonably be expected to cause any representation or warranty contained in this Agreement to be untrue or inaccurate, such that the conditions set forth in ARTICLE VII would not be satisfied, (b) any failure of CAG, the Companies, or Parent, as the case may be, to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder, and (c) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would require any amendment or supplement to the Notice of Meeting; provided, however, that the delivery of any notice pursuant to this Section 6.07 shall not limit or otherwise affect the remedies available hereunder to the Party receiving such notice.

6.08 Reasonable Efforts. Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties agrees to use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things reasonably necessary, proper, desirable or advisable to consummate and make effective, in the most expeditious manner practicable but in any event prior to the Outside Date, the Acquisition and the other Transactions (including the Distribution), including using commercially reasonable efforts to accomplish the following: (i) the taking of all such reasonable acts necessary to cause the conditions precedent set forth in ARTICLE VII to be satisfied, (ii) the obtaining of such reasonably necessary actions, waivers, consents, approvals, orders and authorizations from Governmental Authorities and the making of such reasonably necessary registrations, declarations, filings and notices (including registrations, declarations, filings and notices with Governmental Authorities, if any) and the taking of such reasonable steps as may be reasonably necessary to avoid any Action by any Governmental Authority in connection with the Transactions, (iii) the obtaining of such material consents, approvals or waivers from third parties required as a result of the Transactions; provided that no Party nor any of their Affiliates shall be required to pay or commit to pay any amount to (or incur any obligation in favor of) any Person from whom any such consent, approval, or waiver may be required, unless such payment is required in accordance with the terms of the relevant Company Contract or Parent Contract, as applicable, requiring consent, (iv) the defending of any suits, claims, actions, investigations or proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Authority vacated or reversed, and (v) the execution or delivery of any additional instruments reasonably necessary to consummate, and to fully carry out the purposes of, the Transactions.

6.09 HSR Act. If required pursuant to the HSR Act, as promptly as practicable but in no event later than ten (10) Business Days after the date of this Agreement, CAG and Parent (i) shall each prepare and file the notification required of it thereunder in connection with the Transactions, (ii) shall promptly and in good faith respond to all information requested of it by the Federal Trade Commission and Department of Justice in connection with such notification and otherwise cooperate in good faith with each other and such Governmental Authorities and (iii) shall each request early termination of any waiting period under the HSR Act. Parent shall pay the filing fee required in connection with the filing made under the HSR Act. Parent and CAG shall (a) promptly inform the other of any communication to or from the Federal Trade Commission, the Department of Justice or any other Governmental Authority regarding the Transactions and permit counsel to the other Party an opportunity to review in advance, and each Party shall consider in good faith the views of such counsel in connection with, any proposed written communications by such party to any Governmental Authority concerning the Transactions, (b) give the other prompt notice of the commencement of any Action by or before any Governmental Authority with respect to the Transactions and (c) keep the other reasonably informed as to the status of any such Action. Each Party agrees to provide, to the extent permitted by the applicable Governmental Authority, the other Party and its counsel the opportunity, on reasonable advance notice, to participate in any substantive meetings or discussions, either in person or by telephone, between such Party and/or any of its Affiliates, agents or advisors, on the one hand, and any Governmental Authority, on the other hand, concerning or in connection with the Transactions; provided that neither Party shall extend any waiting period or comparable period under the HSR Act or enter into any agreement with any Governmental Authority without the written consent of the other Party.

6.10 Reorganization.

(a) The Parties shall each use their reasonable efforts to cause the Acquisition, together with the actions set forth on Schedule 1, to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. If (i) either Party reasonably requests a Tax opinion or (ii) in connection with the preparation and filing of any filing, the SEC requests or requires that any Tax opinion be prepared and submitted in connection with such filing, each Party shall be obligated to deliver a "Tax Representation Letter," containing customary representations of the applicable Party, as shall be reasonably necessary or appropriate to enable outside legal counsel to render any opinion or advice, subject to customary assumptions and limitations, regarding the tax treatment of the Acquisition. None of the Parties, nor their Affiliates, shall directly or indirectly (without the consent of the other) take any action (or fail to take any action) that would reasonably be expected to adversely affect the Acquisition, together with the actions set forth on Schedule 1, with respect to qualification as a reorganization within the meaning of Section 368(a) of the Code. This Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g). The Parties will report the Acquisition, together with the actions set forth on Schedule 1, on all Tax Returns in a manner consistent with such Tax treatment, including attaching the statement described in Treasury Regulations Section 1.368-3(a) on or with its U.S. federal income Tax Return for the taxable year of the Acquisition, and no Party will take a position inconsistent with such treatment, unless required to do otherwise pursuant to a final determination as defined in Section 1313(a) of the Code (or pursuant to any similar provision of applicable Legal Requirements).

(b) The Parties shall cooperate in the preparation, execution and filing of all Tax Returns, including any information returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value-added, stock transfer and stamp taxes, and transfer, recording, registration and other fees and similar Taxes which become payable in connection with the Acquisition that are required or permitted to be filed on or before the Closing Date.

6.11 Nasdaq Listing. Parent shall use reasonable best efforts (i) to cause the Parent Shares to be approved for listing on Nasdaq, including preparing and submitting to Nasdaq as soon as reasonably practicable an initial listing application covering the Parent Shares, (ii) to satisfy all applicable initial and continuing listing requirements of Nasdaq, and (iii) to obtain, prior to the Closing Date, approval for such listing on Nasdaq of the Parent Shares issuable in accordance with this Agreement (and the Companies shall reasonably cooperate in connection therewith), subject to official notice of issuance, in each case, prior to the Closing Date. During the period from the date hereof until the Closing Date, Parent shall use its reasonable best efforts to keep the Parent Shares listed for trading on Nasdaq and shall promptly furnish CAG any and all correspondence with or comments from Nasdaq.

6.12 Public Announcements. Promptly after the execution of this Agreement, CAG, the Companies and Parent shall issue a joint press release announcing the execution of this Agreement. Thereafter, prior to the Closing (or the earlier valid termination of this Agreement in accordance with ARTICLE VIII), CAG, the Companies and Parent shall use commercially reasonable efforts to consult in good faith with each other before issuing any press release or other public statement (including through social media platforms) with respect to this Agreement or the Transactions, and, except as required by any applicable Legal Requirement, shall not issue any such press release or other public statement without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed).

6.13 Board of Directors and Officers of Parent. Parent shall take all such action within its power as may be necessary or appropriate such that, immediately following the Closing Date:

(a) the board of directors of Parent shall consist of up to five (5) directors, which shall initially include:

(i) one (1) director nominee to be designated by Parent, in its sole discretion, prior to the Closing (who shall serve as a Class II director in accordance with the Charter Documents of Parent following the Closing Date); and

(ii) four (4) director nominees to be designated by the Wang Parties, in their sole discretion, prior to the Closing (one of whom, being Peter Wang, shall serve as the managing director, one of whom shall serve as a Class I director, one of whom shall serve as a Class II director, and one of whom shall serve as a Class III director, in accordance with the Charter Documents of Parent following the Closing Date and the Relationship Agreement).

(b) the board of directors of Parent shall have a majority of "independent" directors for the purposes of Nasdaq and each of whom shall serve in such capacity in accordance with the terms of the Charter Documents of Parent following the Closing Date;

(c) to the extent and so long as required by Legal Requirements, the board of directors of Parent shall have two (2) directors who are ordinarily resident in Australia; and

(d) the initial officers of Parent shall be as set forth on Schedule 6.13 (as may be updated by CAG prior to Closing following written notice to Parent), who shall serve in such capacity in accordance with the terms of the Parent Charter Documents following the Closing Date.

6.14 No Securities Transactions. Neither CAG nor any of the Companies, directly or indirectly, shall engage in any purchases or sales of the securities of Parent prior to the Closing Date without the consent of Parent. CAG and the Companies shall use their commercially reasonable efforts to require each of their respective controlled Affiliates to comply with the foregoing requirement.

6.15 CAG Shareholder Approval.

(a) CAG shall use reasonable best efforts to (i) obtain the CAG Shareholder Approval within twenty (20) Business Days after the date of this Agreement, by causing the Supporting Shareholders to execute written consents approving and authorizing this Agreement and the Acquisition, and (ii) cause such shareholders of CAG to execute and deliver all related documentation and take such other action in support of the Acquisition as shall reasonably be requested by the Parties in connection with the Acquisition. CAG shall comply with all applicable provisions of and rules under the Cayman Companies Act in the solicitation of the approvals hereunder.

(b) The board of directors of CAG has, by unanimous approval, approved and authorized this Agreement and the Acquisition, and shall recommend, in the materials to be sent to the Supporting Shareholders in connection with the solicitation of the CAG Shareholder Approval hereunder, that the Supporting Shareholders approve and authorize this Agreement and the Acquisition; provided, however, that, in the event that CAG receives a CAG Superior Proposal prior to obtaining the CAG Shareholder Approval, CAG shall include a description of such CAG Superior Proposal in the materials sent to the Supporting Shareholders in connection with the solicitation of the CAG Shareholder Approval hereunder. The board of directors of CAG shall not withdraw, amend, qualify, or modify its recommendation to the Supporting Shareholders that they approve and authorize (including by written consent) this Agreement and the Acquisition.

6.16 Insider Loans. The Companies shall cause each director, officer or employee of the Companies or Company Subsidiaries who will be a director or executive officer of Parent immediately after the Closing to, at or prior to Closing (i) repay to the Companies any loan by the Companies to such Person and any other amount owed by such Person to the Companies; and (ii) cause any guaranty or similar arrangement pursuant to which the Companies have guaranteed the payment or performance of any obligations of such Person to a third party to be terminated.

6.17 Divestiture. Simultaneously with the Closing, Parent shall completely divest itself of the business operated through FOH Online Corp., a wholly owned subsidiary of Parent ("FOH"), and shall cause the Person acquiring such business to assume all obligations and Liabilities of Parent and the Parent Subsidiaries related to FOH or the business operated through FOH, including the Material Parent Contracts, or shall otherwise satisfy or terminate such obligations and Liabilities in full at or prior to the Closing Date (collectively, the "Divestiture"), in all events, without any Liability (including any Tax Liability) to Parent or any Parent Subsidiary following the Closing. Parent shall keep CAG promptly apprised of the status of matters relating to the Divestiture, including the status and terms thereof.

6.18 Incentive Equity Plan. Prior to the Closing Date, the Parties shall cooperate to establish (a) an equity incentive plan, substantially in the form attached hereto as Exhibit D (with such changes as may be agreed in writing by Parent and the Company) (the "Incentive Equity Plan"), and (b) an employee stock purchase plan, substantially in the form attached hereto as Exhibit E (with such changes that may be agreed in writing by Parent and the Company).

6.19 Stockholder Litigation. In the event that any Action related to this Agreement, any Transaction Document or the Transactions is brought, or, to the knowledge of Parent, threatened in writing, against Parent or the board of directors of Parent by any of Parent's shareholders prior to the Closing, Parent shall promptly notify CAG of any such litigation and keep CAG reasonably informed with respect to the status thereof. Parent shall provide CAG the opportunity to participate in (subject to a customary joint defense agreement), but not control, the defense of any such litigation, shall give due consideration to CAG's advice with respect to such litigation and shall not settle or agree to settle any such litigation without the prior written consent of CAG, such consent not to be unreasonably withheld, conditioned or delayed.

6.20 Additional Financings. Notwithstanding anything to the contrary in this Agreement, at any time on or prior to the Closing Date, Parent may consummate the sale of newly issued Parent Shares or Parent Share Equivalents, for cash, in one or more public or private offerings; provided that all such financings shall not exceed gross proceeds of $100,000,000 in the aggregate, on such terms as Parent, after consultation with CAG, shall determine, in its reasonable discretion (each an "Additional Financing" and, collectively, the "Additional Financings"); provided, further, that (a) any such Parent Share Equivalent issued in any Additional Financing shall be exercised or exchanged for, or converted into, Parent Shares prior to the Closing, (b) except as set forth on Schedule 4.03(c), no registration rights shall be granted by Parent to any Person that will obligate Parent to file a registration statement with the SEC prior to one hundred eighty (180) days following the Closing Date, (c) no such Parent Shares or Parent Share Equivalents issued in any Additional Financing shall be senior to or have voting rights different than the Parent Shares, and (d) no Additional Financing shall impose any Liabilities (including Tax Liabilities) on Parent or any Parent Subsidiary following the Closing or have any materially adverse effect on Parent or any Parent Subsidiary following the Closing. In connection with such Additional Financings, Parent shall keep CAG informed on a current and continuous basis in reasonable detail regarding the status of each Additional Financing, including providing CAG with any and all definitive material documentation related to such matters, including all subscriptions, sale notices, and other similar materials. For the purposes of this Agreement, a single trading day of sales in an "at-the-market" offering shall be deemed a single Additional Financing.

6.21 Intellectual Property Transfer. CAG shall assign and transfer to one of the Companies all of its right, title and interest in and to the registered Patents and Trademarks used in the operation of the business of the Company Group, taken as a whole, as currently conducted, that is owned by, or registered in the name of, CAG, free and clear of all Liens, other than Permitted Liens, and shall use its reasonable best efforts to complete such assignment and transfer prior to the Closing.

ARTICLE VII
CONDITIONS TO THE ACQUISITION

7.01 Conditions to the Obligations of Each Party. The respective obligations of CAG, the Companies and Parent to consummate the Acquisition are subject to the satisfaction or waiver (where permissible) at or prior to the Closing of the following conditions:

(a) FIRB Approval. FIRB Approval shall have been obtained.

(b) CAG Shareholder Approval. The CAG Shareholder Approval shall have been obtained.

(c) Parent Shareholder Approval. The Parent Shareholder Matters shall have been duly approved by the affirmative vote of the shareholders of Parent required under Parent's Charter Documents, the Australian Corporations Act, and the rules and regulations of Nasdaq.

(d) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, or Order which is then in effect and has the effect of making the Acquisition illegal or otherwise prohibiting consummation of the Acquisition.

(e) Governmental Consents. All specified waiting periods (and any extension thereof) under the HSR Act shall have expired or been terminated.

(f) Nasdaq Listing. The initial listing application filed with Nasdaq in connection with the transactions contemplated by this Agreement with respect to the Parent Shares shall have been approved and the Parent Shares shall have been approved for listing on Nasdaq, as of the Closing Date.

(g) Registration Rights. Parent shall have entered into the Registration Rights Agreement in the form attached hereto as Exhibit F.

7.02 Conditions to the Obligations of Parent. The obligations of each of Parent to consummate the Acquisition are subject to the satisfaction or waiver (where permissible) at or prior to the Closing of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of CAG and the Companies (i) contained in Sections 2.01, 2.02, 3.01, 3.02(a), the first two sentences of 3.02(b), 3.04, and 3.26 shall be true and correct in all material respects as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct in all material respects on and as of such earlier date), (ii) contained in Sections 2.04, 2.05 and 3.03 shall be true and correct in all respects (except for de minimis inaccuracies) as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct in all respects (except for de minimis inaccuracies) on and as of such earlier date), and (iii) contained elsewhere in this Agreement shall be true and correct (without giving any effect to any limitation as to "materiality" or "Material Adverse Effect" or any similar limitation set forth therein) as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct on and as of such earlier date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to result in, a Material Adverse Effect with respect to the Company Group, taken as a whole.

(b) Agreements and Covenants. CAG and the Companies shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by them on or prior to the Closing Date.

(c) Material Adverse Effect. No Material Adverse Effect on the Company Group, taken as a whole, shall have occurred since the date of this Agreement.

(d) Officer Certificate. CAG shall have delivered to Parent a certificate, dated the Closing Date, signed by the Chief Executive Officer of CAG, certifying as to the satisfaction of the conditions specified in Sections 7.02(a) to 7.02(c).

(e) No Governmental Action. No Action shall be pending or threatened by any Governmental Authority which is reasonably likely to (i) prevent consummation of any of the Transactions, (ii) cause any of the Transactions to be rescinded following consummation, or (iii) affect materially and adversely the right of Parent to own, operate, or control the Companies or any of the assets and operations of the Companies following the Acquisition and no Order issued by a Governmental Authority to any such effect shall be in effect.

(f) Third Party Consents. CAG and the Companies shall have obtained the consents and approvals set forth in Schedule 7.02(f).

7.03 Conditions to the Obligations of CAG and the Companies. The obligations of CAG and the Companies to consummate the Acquisition are subject to the satisfaction or waiver (where permissible) at or prior to the Closing of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of Parent (i) contained in Sections 4.01, 4.02(a), the first sentence of 4.02(b), 4.04, and 4.26 shall be true and correct in all material respects as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct in all material respects on and as of such earlier date), (ii) contained in Section 4.03 shall be true and correct in all respects (except for de minimis inaccuracies) as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct in all respects (except for de minimis inaccuracies) on and as of such earlier date), and (iii) contained elsewhere in this Agreement shall be true and correct (without giving any effect to any limitation as to "materiality" or "Material Adverse Effect" or any similar limitation set forth therein) as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct on and as of such earlier date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to result in, a Material Adverse Effect with respect to Parent and the Parent Subsidiaries, taken as a whole.

(b) Agreements and Covenants. Parent shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(c) Material Adverse Effect. No Material Adverse Effect on Parent and the Parent Subsidiaries, taken as a whole, shall have occurred since the date of this Agreement.

(d) Officer Certificate. Parent shall have delivered to CAG a certificate, dated the Closing Date, signed by the Chief Executive Officer of Parent, certifying as to the satisfaction of the conditions specified in Sections 7.03(a) to 7.03(c).

(e) No Governmental Action. No Action shall be pending or threatened by any Governmental Authority, including any declaration by the Australian Takeovers Panel of unacceptable circumstances for the purposes of the Australian Corporations Act, which is reasonably likely to (i) prevent consummation of any of the Transactions, (ii) cause any of the Transactions to be rescinded following consummation or (iii) affect materially and adversely or otherwise encumber the title of the Parent Shares to be issued to CAG by Parent in connection with the Acquisition and no Order issued by a Governmental Authority to any such effect shall be in effect. The.

(f) Third Party Consents. Parent shall have obtained the consents and approvals set forth in Schedule 7.03(f).

(g) SEC Compliance. From the date of this Agreement until the Closing, Parent shall have been in compliance in all material respects with the reporting requirements under the Securities Act and the Exchange Act.

(h) Resignation. The persons listed in Schedule 7.03(h) shall have resigned from all of their positions and offices with Parent.

(i) Divestiture. The Divestiture being completed in compliance with the terms and conditions of this Agreement simultaneously with the Closing.

(j) Cash Position. Parent shall have Cash of at least Two Hundred Eighty-Two Million Dollars ($282,000,000) immediately prior to the Closing.

(k) Minimum Price. The Five Day Average Trading Price for the five consecutive trading days ending on (and inclusive of) the Closing Date (after giving effect to the consolidation of share capital of Parent completed by Parent Shareholder Matters) is not less than $5.00 per Parent Share.

(l) Parent Liabilities. Parent and the Parent Subsidiaries shall not have any Liabilities in excess of Ten Million Dollars ($10,000,000) in the aggregate, other than the non-monetary or contingent Liabilities set forth on Schedule 7.03(l).

7.04 Frustration of Closing Conditions. A Party may not rely on the failure of any condition set forth in Sections 7.01, 7.02 or 7.03, as the case may be, to be satisfied if such failure was due to the failure of such Party to perform any of its obligations under this Agreement.

ARTICLE VIII
TERMINATION, AMENDMENT AND WAIVER

8.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of Parent and CAG at any time;

(b) by either Parent or CAG, upon written notice to the other, if the Closing shall not have occurred on or before May 5, 2022 (the "Outside Date"); provided, however, that the right to terminate this Agreement under this Section 8.01(b) shall not be available to any Party whose action or failure to act has been a principal cause of or primarily resulted in the failure of the Closing to occur on or before such date and such action or failure to act constitutes a breach of this Agreement;

(c) by either Parent or CAG, upon written notice to the other, if any Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Order (whether temporary, preliminary or permanent) which has become final and non-appealable and has the effect of permanently making consummation of the Acquisition illegal or otherwise preventing or prohibiting consummation of the Acquisition;

(d) by Parent, upon written notice to CAG, upon a material breach of any covenant or agreement set forth in this Agreement on the part of CAG or the Companies, or if any representation or warranty of CAG or the Companies shall have become inaccurate or untrue, in either case, such that the conditions set forth in Section 7.01 and 7.02 would not be satisfied as of the time of such breach or as of the time such representation or warranty having become untrue; provided that if such breach or inaccuracy is curable by CAG or a Company prior to the Closing, then Parent must first provide written notice of such breach or inaccuracy and may not terminate this Agreement under this Section 8.01(d) until the earlier of: (i) 30 days after delivery of written notice from Parent to CAG of such breach or inaccuracy; and (ii) the Outside Date; provided, further, that CAG and each Company continues to exercise commercially reasonable efforts to cure such breach or inaccuracy (it being understood that Parent may not terminate this Agreement pursuant to this Section 8.01(d) if: (A) it shall have materially breached this Agreement and such breach has not been cured; or (B) if such breach or inaccuracy by CAG or the Companies is cured during such 30-day period);

(e) by CAG, upon written notice to Parent, upon a material breach of any covenant or agreement set forth in this Agreement on the part of Parent, or if any representation or warranty of Parent shall have become inaccurate or untrue, in either case, such that the conditions set forth in Section 7.01 and 7.03 would not be satisfied as of the time of such breach or as of the time such representation or warranty having become untrue; provided that if such breach or inaccuracy by Parent is curable by Parent prior to the Closing, then CAG must first provide written notice of such breach or inaccuracy and may not terminate this Agreement under this Section 8.01(e) until the earlier of: (i) 30 days after delivery of written notice from CAG to Parent of such breach or inaccuracy; and (ii) the Outside Date; provided, further, that Parent continues to exercise commercially reasonable efforts to cure such breach or inaccuracy (it being understood that CAG may not terminate this Agreement pursuant to this Section 8.01(e) if: (A) it shall have materially breached this Agreement and such breach has not been cured; or (B) if such breach or inaccuracy by Parent is cured during such 30-day period)

(f) by Parent, upon written notice to CAG, if CAG fails to obtain the CAG Shareholder Approval within twenty (20) Business Days following the date of this Agreement; or

(g) by CAG or Parent, upon written notice to the other, if the Parent Shareholder Matters shall fail to receive the requisite vote for approval at the Extraordinary General Meeting.

8.02 Effect of Termination. Any termination of this Agreement under Section 8.01 above will be effective immediately upon (or, if the termination is pursuant to Section 8.01(d) or Section 8.01(e), and the first proviso therein is applicable, thirty (30) days after) the delivery of written notice of the terminating party to the other Parties. In the event of the termination of this Agreement as provided in Section 8.01 above, this Agreement shall be of no further force or effect and the Acquisition shall be abandoned, and there shall be no liability or obligation hereunder on the part of CAG, the Companies, Parent, or any of their respective Affiliates, or any of their respective Representatives, successors or assigns, except for and subject to the following: (i) Sections 6.02(b) and 8.03 and ARTICLE IX (General Provisions) and any defined terms used in such Sections or Article shall survive the termination of this Agreement, and (ii) nothing herein shall relieve any Party from liability for any intentional and willful breach of this Agreement or for actual fraud by such Party occurring prior to such termination. Following any termination of this Agreement, the Confidentiality Agreement shall survive and remain in full force and effect for the longer of (x) the remainder of the term as set forth in the Confidentiality Agreement and (y) one (1) year following such termination. Nothing in this ARTICLE VIII shall be deemed to impair the right of any Party to bring any action or actions for specific performance, injunctive and/or other equitable relief (including, without limitation, the right of any Party to compel specific performance by another Party of its obligations under this Agreement).

8.03 Fees and Expenses. Except as otherwise set forth herein, all fees and expenses incurred in connection with this Agreement and the Transactions shall be paid by the Party incurring such expenses whether or not the Acquisition is consummated; provided, however, that if the Acquisition is consummated, then Parent shall promptly pay, and be responsible for, all Fees and Expenses (including the stamp duty payable in connection with the transfer of the CAG HK Shares); and provided, further, that if this Agreement is terminated pursuant to Sections 8.01(d) or 8.01(f), CAG shall reimburse Parent for 50% of the filing fees in connection with any filing pursuant to the HSR Act.

ARTICLE IX
GENERAL PROVISIONS

9.01 Non-Survival of Representations, Warranties and Agreements. None of the representations, warranties, covenants, obligations or other agreements in this Agreement or in any certificate, statement or instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants, obligations, agreements and other provisions, shall survive the Closing, and they shall terminate and expire upon the occurrence of the Closing Date (and there shall be no liability or rights, claims, or causes of action (whether in contract or in tort or otherwise, or whether at law or in equity) after the Closing in respect thereof), except for (a) those covenants and agreements contained herein (or in instruments executed pursuant to this Agreement) that by their terms expressly apply in whole or in part after the Closing and then only with respect to any breaches to the extent occurring after the Closing, (b) any claim against any Person with respect to actual fraud, and (c) this ARTICLE IX.

9.02 GST. All amounts payable or to be provided under this Agreement are exclusive of GST. If GST is payable on any supply made under or in connection with this Agreement (not being a supply the consideration for which is specifically described in this Agreement as inclusive of GST), the recipient of the supply must pay to the supplier, an additional amount equal to the GST payable on the supply, provided that the supplier gives the recipient a tax invoice for the supply.

9.03 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by email or by internationally recognized overnight delivery service to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.03):

if to Parent:

Naked Brand Group Limited
Level 61, MLC Centre, 25 Martin Place
Sydney, NSW 2000, Australia
Attention: Justin Davis-Rice, CEO and Mark Ziirsen, CFO
Email: justin.davis@nakedbrands.com and mark.ziirsen@nakedbrands.com

with copies to:

Graubard Miller
The Chrysler Building
405 Lexington Avenue, 11th Floor
New York, New York 10174
Attention: David Alan Miller / Eric T. Schwartz
Email: dmiller@graubard.com / eschwartz@graubard.com

if to CAG or the Companies:

Cenntro Automotive Group Limited
c/o Cenntro Electric Group, Inc.
501 Okerson Road
Freehold, New Jersey 07728
Attention: Peter Z. Wang
Email: peterw@cenntromotors.com

with copies to:

Pillsbury Winthrop Shaw Pittman LLP
31 West 52nd Street
New York, New York 10019
Attention: Jonathan J. Russo / Ted Powers III
Email: jonathan.russo@pillsburylaw.com / ted.powers@pillsbury.com

9.04 Interpretation. The words "hereof," "herein," "hereinafter," "hereunder," and "hereto" and words of similar import refer to this Agreement as a whole and not to any particular section or subsection of this Agreement and reference to a particular section of this Agreement will include all subsections thereof, unless, in each case, the context otherwise requires. The definitions of the terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context shall require, any pronoun shall include the corresponding masculine, feminine and neuter forms. When a reference is made in this Agreement to an Exhibit or Schedule, such reference shall be to an Exhibit or Schedule to this Agreement unless otherwise indicated. When a reference is made in this Agreement to Sections or subsections, such reference shall be to a Section or subsection of this Agreement. Unless otherwise indicated the words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Reference to the subsidiaries of an entity shall be deemed to include all direct and indirect subsidiaries of such entity. References to a document or item of information having been "made available" will be deemed to include the posting of such document or item of information in an electronic data room accessible by the other Party or any of its Representatives. The word "or" shall be disjunctive but not exclusive. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and if the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day. References to a particular statute or regulation include all rules and regulations thereunder and any predecessor or successor statute, rule, or regulation, in each case as amended or otherwise modified from time to time. All monetary amounts set forth herein are referenced in United States dollars, unless otherwise noted. For purposes of this Agreement:

"Acquisition" has the meaning set forth in the recitals.

"Acquisition Share Pool" means a number of Parent Shares equal to the Consideration Ratio, *multiplied by* the number of Fully Diluted Parent Shares Outstanding immediately prior to the Closing (rounded down to the nearest whole number of shares).

"Acquisition Shares" has the meaning set forth in Section 1.02.

"Action" has the meaning set forth in Section 3.10.

"actual fraud" means, with respect to a Party, an actual and intentional act in the making of a representation or warranty contained in either ARTICLE II, ARTICLE III, or ARTICLE IV of this Agreement, as modified by the CAG Disclosure Schedule, Company Disclosure Schedule or Parent Disclosure Schedule, as applicable, with intent to deceive another Person and to induce such Person to enter into this Agreement and requires: (i) a false or inaccurate representation of fact made herein; (ii) knowledge that such representation is false or inaccurate; (iii) an intention to induce the Person to whom such representation is made to act or refrain from acting in reliance upon it; (iv) causing that Person, in reasonable reliance upon such false representation and without knowledge of the falsity of such representation, to take or refrain from taking action; and (v) causing such Person to suffer damage by reason of such reliance; provided that such actual and intentional fraud of such Person shall only be deemed to exist if any of such Person's individuals included in the definition of knowledge had actual knowledge (as opposed to imputed or constructive knowledge) that the representations and warranties made by such Person in ARTICLE II, ARTICLE III, or ARTICLE IV of this Agreement, as applicable, as modified by the CAG Disclosure Schedule, Company Disclosure Schedule or Parent Disclosure Schedule, as applicable, were actually breached. For the avoidance of doubt, the definition of "actual fraud" in this Agreement is limited to actual and intentional fraud and does not include, and no claim may be made by any Person in relation to this Agreement or the transactions contemplated hereby for, (x) constructive fraud or other claims based on constructive knowledge or (y) negligent misrepresentation, equitable fraud, or any other fraud-based claim or theory that requires something less than actual knowledge of the fraudulent conduct.

"Additional Financing(s)" has the meaning set forth in Section 6.20.

"Additional Financing Floor Price Per Share" means, for each Parent Share issued in an Additional Financing (including any Parent Shares issued upon exercise, conversion, or exchange of a Parent Share Equivalent issued in such Additional Financing), eighty percent (80%) of the most recent closing sale price of one Parent Share on Nasdaq on the Trading Day that immediately precedes the time of sale of such Parent Share in such Additional Financing (or the time of sale of the Parent Share Equivalent pursuant to which such Parent Share was issued). The time of sale shall be (i) if sold on an exchange or similar market, the time of the trade, (ii) if sold pursuant to a contract providing for a fixed purchase price, the time of formation of such contract, or (iii) if sold pursuant to a contract providing for the purchase price to be fixed in the future, the time such purchase price becomes fixed. For the avoidance of doubt, in the event of an Additional Financing that involves the sale of a unit or similar security comprised of one Parent Share and a warrant to purchase one Parent Share, for both the Parent Shares issued at the closing of such Additional Financing and the Parent Shares issued upon the exercise of such warrants, the Additional Financing Floor Price Per Share shall be eighty percent (80%) of the last closing sale price of one Parent Share on Nasdaq on the Trading Day immediately preceding the date of the sale of such unit or similar security.

"Additional Financing Price" means, for each Additional Financing, the greater of the Additional Financing Price Per Share and the Additional Financing Floor Price Per Share.

"Additional Financing Price Per Share" means, for each Additional Financing, (i) the aggregate cash purchase price of the Parent Shares and Parent Share Equivalents, if any, issued by Parent in such Additional Financing (including any exercise price actually paid in cash in connection with the exercise, prior to the Closing, of any Parent Share Equivalents issued in such Additional Financing), *divided by* (ii) the sum of (A) the number of Parent Shares issued in such Additional Financing, and (B) the number of Parent Shares issued upon any exercise, exchange or conversion, prior to the Closing, of any Parent Share Equivalents issued in such Additional Financing (it being understood that such Parent Share Equivalents shall be exercised, exchanged or converted in full prior to the Closing).

"Additional Financing Surplus Shares" means a number of Parent Shares equal to (i) the amount of Cash held by Parent in excess of Two Hundred Eighty-Two Million Dollars ($282,000,000) immediately prior to the Closing, *divided by* (ii) the Additional Financing Volume Weighted Average Price Per Share (rounded down to the nearest whole number of shares). An illustrative example of the calculation of the Additional Financing Price Per Share, the Additional Financing Floor Price Per Share, the Additional Financing Volume Weighted Average Price Per Share, and the Additional Financing Surplus Shares is set forth as Exhibit G.

"Additional Financing Volume Weighted Average Price Per Share" means the volume weighted average Additional Financing Price of the Parent Shares issued in the Additional Financings (including any Parent Shares issued upon exercise, conversion or exchange of Parent Share Equivalents issued in the Additional Financings).

"Agreement" has the meaning set forth in the preamble.

"Affiliate" of a specified Person means a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

"Anti-Corruption Laws" means all U.S. and non-U.S. Laws relating to the prevention of corruption, bribery and money laundering, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, or any successor statute, rules or regulations thereto.

"ASIC" means the Australian Securities and Investments Commission.

"Australian 1936 Tax Act" means the *Income Tax Assessment Act 1936* (Cth) of the Commonwealth of Australia.

"Australian 1997 Tax Act" means the *Income Tax Assessment Act 1997* (Cth) of the Commonwealth of Australia.

"Australian Corporations Act" means the *Corporations Act 2001* (Cth) of the Commonwealth of Australia.

"beneficial owner" and "beneficially own," when used with respect to any security, have the meanings ascribed to such terms under Rule 13d-3(a) of the Exchange Act.

"Business Data" means all business information and data, including Personal Information (whether of employees, contractors, consultants, customers, consumers, or other persons and whether in electronic or any other form or medium) that is accessed, collected, used, stored, shared, distributed, transferred, disclosed, destroyed, disposed of or otherwise processed by any of the Business Systems or otherwise in the course of the conduct of the business of a Person.

"Business Day" means any day on which the principal offices of the SEC in Washington, D.C. are open to accept filings, or, in the case of determining a date when any payment is due, any day, other than a Saturday, a Sunday or a day on which banks are not required or authorized to close in New York, New York.

"Business Systems" means all Software (including Software comprising products or services sold by a Person), computer hardware (whether general or special purpose), electronic data processing, information, record keeping, communications, telecommunications, networks, interfaces, platforms, servers, peripherals, and computer systems, including any outsourced systems and processes, that are owned or used in the conduct of the business of a Person.

"CAC" has the meaning set forth in the preamble.

"CAC Shares" has the meaning set forth in the recitals.

"CAG" has the meaning set forth in the preamble.

"CAG Competing Proposal" means any proposal, agreement, arrangement, or transaction that, if entered into or completed, would mean a Person (other than Parent or the holders of capital stock in Parent) (either alone or together with any Affiliate) may (i) directly or indirectly acquire, or have the right to acquire, a legal, beneficial, or economic interest in, or control of, 30% or more of the CAG Shares, (ii) acquire control of, or otherwise merge with, CAG or any of its controlled entities or a substantial portion of their assets, or (iii) enter into any agreement, arrangement, or understanding requiring CAG to abandon, cease to recommend, or otherwise fail to proceed with the Acquisition.

"CAG Disclosure Schedule" has the meaning set forth in ARTICLE II.

"CAG Equity Plan" means the CAG 2016 Incentive Stock Option Plan.

"CAG HK" has the meaning set forth in the preamble.

"CAG HK Shares" has the meaning set forth in the recitals.

"CAG Information" means all financial and other information relating to CAG, the Companies, the Company Subsidiaries, and the CAG shareholders (and the directors and officers of CAG or the Companies to be elected or appointed as directors or officers of Parent effective as of the Closing pursuant to Section 6.13) and such other matters as may be reasonably necessary or advisable in connection with the preparation of the Notice of Meeting and any amendment or supplement thereto, prepared by CAG expressly for inclusion therein and for which CAG has agreed to assume responsibility in accordance with this Agreement.

"CAG Options" means options to purchase CAG Shares granted under the CAG Equity Plan.

"CAG Preferred Shares" means the Series A-1 Preferred Shares of par value US$0.000001 each and the Series A-2 Preferred Shares of par value US$0.000001 each of CAG.

"CAG Shares" means the ordinary shares of par value US$0.000001 each of CAG.

"CAG Shareholder Approval" means, in respect of this Agreement and the Acquisition, (i) the prior written consent of each of Maple Street, L.P. (to the extent such Person is a holder of CAG Preferred Shares at the time) and China Logistic Investment Holding (5) Limited in accordance with Article 8.3B of CAG's Charter Documents, and (ii) the approval and authorization by written consent by holders of issued and outstanding shares of CAG (including CAG Shares and CAG Preferred Shares) which carry, in aggregate, not less than two-thirds of the total voting power (as determined in accordance with CAG's Charter Documents) of all issued and outstanding shares of CAG (including CAG Shares and CAG Preferred Shares).

"CAG Superior Proposal" means publicly announced, bona fide CAG Competing Proposal of the kind referred to in the definition of CAG Competing Proposal (and not resulting from a breach by CAG of any of its obligations under Section 6.05(a) (it being understood that any actions by the Affiliates of CAG in breach of Section 6.05(a) shall be deemed to be a breach by CAG for the purposes hereof)) that a majority of the directors of CAG, acting in good faith, and after receiving written legal advice from its legal advisor and written advice from its financial advisor, determines (1) is reasonably capable of being valued and completed in a timely fashion taking into account all aspects of the CAG Competing Proposal, including any timing considerations, any conditions precedent, and the identity of the proponent; and (2) would, if completed substantially in accordance with its terms, be more favorable to the holders of the CAG Shares (as a whole) than the Acquisition, taking into account all terms and conditions of the CAG Competing Proposal.

"Cash" means, without duplication (i) the cash and cash equivalents held by Parent and the Parent Subsidiaries, after giving effect to the receipt of any cash consideration received by Parent at the closing of the Divestiture, *plus* (ii) the outstanding principal amount plus the accrued interest of the Parent Loan, *plus* (iii) the outstanding principal amount and accrued interest of loans and advances made to Bendon Limited in an amount not to exceed $5,000,000.

"Cayman Companies Act" means the Companies Act (As Revised) of the Cayman Islands.

"CEG" has the meaning set forth in the preamble.

"CEG Shares" has the meaning set forth in the recitals.

"Charter Documents" has the meaning set forth in Section 3.01.

"Closing" has the meaning set forth in Section 1.04.

"Closing Date" has the meaning set forth in Section 1.04.

"Code" has the meaning set forth in the recitals.

"Company" has the meaning set forth in the preamble.

"Company Annual Financial Statements" has the meaning set forth in Section 3.07(a).

"Company Balance Sheet Date" means June 30, 2021.

"Company Capital Stock" has the meaning set forth in Section 3.03(a).

"Company Conflict Group" has the meaning set forth in Section 9.17(b).

"Company Contracts" has the meaning set forth in Section 3.18(a).

"Company Data Security Requirements" has the meaning set forth in Section 3.15(j).

"Company Disclosure Schedule" has the meaning set forth in ARTICLE III.

"Company Financial Statements" has the meaning set forth in Section 3.07(a).

"Company Group" means, collectively, the Companies and the Company Subsidiaries.

"Company Intellectual Property" has the meaning set forth in Section 3.15(c).

"Company Interim Financial Statements" has the meaning set forth in Section 3.07(a).

"Company Licensed Intellectual Property" has the meaning set forth in Section 3.15(c).

"Company Material Customers" has the meaning set forth in Section 3.21(a).

"Company Material Suppliers" has the meaning set forth in Section 3.21(b).

"Company Owned Intellectual Property" has the meaning set forth in Section 3.15(b).

"Company Personal Property" has the meaning set forth in Section 3.14(c).

"Company Plan" has the meaning set forth in Section 3.11(a).

"Company Shares" has the meaning set forth in the recitals.

"Company Subsidiaries" has the meaning set forth in Section 3.02(a).

"Confidentiality Agreement" has the meaning set forth in Section 6.02(b).

"Consideration Ratio" means seven-thirds (7/3).

"control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise.

"Converted CAG Option" has the meaning set forth in Section 1.06(a).

"Converted Option Acquisition Shares" means the aggregate number of Parent Shares issuable upon exercise of the Converted CAG Options immediately after the Closing (rounded down to the nearest whole number of shares).

"Copyleft License" means any license that requires, as a condition of use, modification and/or distribution of Software subject to such license, that such Software subject to such license, or other Software incorporated into, derived from, or used or distributed with such Software subject to such license, as a result of the manner of use, modification, and/or distribution by the Companies or any of the Company Subsidiaries, as applicable, (i) be made available or distributed in a form other than binary (e.g., source code form), (ii) be licensed for the purpose of preparing derivative works, (iii) be licensed under terms that allow the Companies' or any of the Company Subsidiaries' products or portions thereof or interfaces therefor to be reverse engineered, reverse assembled or disassembled (other than by operation of Law), or (iv) be redistributable at no license fee. Copyleft Licenses include the GNU General Public License, the GNU Lesser General Public License, the Mozilla Public License, the Common Development and Distribution License, the Eclipse Public License and all Creative Commons "sharealike" licenses.

"Copyrights" means all copyrights, copyrights registrations and applications therefor, and all other rights corresponding thereto throughout the world.

"COVID-19" means SARS-CoV-2 or COVID-19, and any evolutions, variations or mutations thereof or related or associated epidemics, pandemic or disease outbreaks.

"COVID-19 Measures" means any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, safety or other similar measure, in each case in connection with or in response to COVID-19 and in each case implemented or otherwise required by Legal Requirements applicable to such Party and/or its subsidiaries, or recommended by a Governmental Authority, including the CARES Act and Families First Act.

"D&O Tail Insurance" has the meaning set forth in Section 6.06(b).

"Daily VWAP" means, for any Trading Day, the per share volume-weighted average price of the Parent Shares as reported by Bloomberg, L.P. through its VWAP function (or its equivalent successor if such service is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day on Nasdaq. The Daily VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours.

"Distribution" has the meaning set forth in Section 1.13.

"Divestiture" has the meaning set forth in Section 6.17.

"Environmental Laws" means any United States federal, state or local or non-United States laws relating to (i) releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; (ii) the manufacture, handling, transport, use, treatment, storage or disposal of Hazardous Substances or materials containing Hazardous Substances; or (iii) pollution or protection of the environment, health, safety or natural resources.

"ERISA" has the meaning set forth in Section 3.11(a).

"ERISA Affiliate" has the meaning set forth in Section 3.11(f).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Ratio" means (A) (i) the number of shares constituting the Acquisition Share Pool, *less* the number of Liquidation Preference Acquisition Shares (but in any event, not less than zero), *multiplied by* (ii) the ratio of (I) the aggregate number of CAG Shares underlying the CAG Options that are outstanding immediately prior to the Closing *over* (II) the number of Fully Diluted CAG Shares Outstanding, *divided by* (B) the aggregate number of CAG Shares underlying the CAG Options that are outstanding immediately prior to the Closing.

"Extraordinary General Meeting" has the meaning set forth in Section 6.01(a).

"FATA" means the Foreign Acquisitions and Takeovers Act 1975 (Cth) of the Commonwealth of Australia, and any regulations made under it.

"Fees and Expenses" means all fees, expenses and other obligations incurred by CAG, the Companies and the Company Subsidiaries as a result of the Transactions, including all legal fees and expenses and the fees and expenses of financial and other advisors, accountants, and consultants. For the avoidance of doubt, any income Taxes determined under Legal Requirements to be payable by a Party as a result of the Transactions shall not be considered Fees and Expenses and, without limiting the foregoing, any such income Tax to be payable by a Party as a result of the Transactions at or prior to the Closing shall be paid by such Party, notwithstanding Section 8.03.

"FIRB Approval" means either (i) CAG has received a written no objection notification under FATA from the Australian Commonwealth Treasurer (or its delegate) in respect of CAG and certain holders of the capital stock of CAG acquiring the Parent Shares in accordance with this Agreement, either on an unconditional basis or subject to such conditions acceptable to the CAG (acting reasonably and in good faith), or (ii) the Australian Commonwealth Treasurer is, by reason of lapse of time, no longer empowered to make an order under the FATA in respect of the acquisition of the Parent Shares by CAG and certain holders of the capital stock of CAG in the manner contemplated by this Agreement on grounds that the Australian Commonwealth Treasurer was otherwise empowered to make under the FATA.

"Five Day Average Trading Price" means the average of the Daily VWAP for the five (5) Trading Days ending on (and inclusive of) the Trading Day immediately preceding the Closing Date (as adjusted as appropriate to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications or similar events).

"FOH" has the meaning set forth in Section 6.17.

"Fully Diluted CAG Shares Outstanding" means, without duplication, (i) the number of issued and outstanding CAG Shares (including restricted stock) immediately prior to the Closing, *plus* (ii) the number of CAG Shares underlying restricted stock units and performance units and issuable upon the exercise, conversion or other exchange of options, warrants, preferred shares, convertible debt securities, or similar rights issued and outstanding immediately prior to the Closing or that a third party otherwise has the right to acquire.

"Fully Diluted Parent Shares Outstanding" means, without duplication, (i) the number of issued and outstanding Parent Shares (including restricted stock) immediately prior to the Closing, *plus* (ii) the number of Parent Shares underlying restricted stock units and performance units and issuable upon the exercise, conversion, or other exchange of options, warrants, preferred shares, convertible debt securities, or similar rights issued and outstanding immediately prior to the Closing or that a third party otherwise has the right to acquire, including, for the avoidance of doubt, shares issuable in connection with Parent's director compensation plan, incentive equity compensation awarded to Parent's executive officers, employees, consultants, and independent contractors, and the Parent Warrants; provided that the Fully Diluted Parent Shares Outstanding shall exclude any Additional Financing Surplus Shares and the shares identified on Schedule 9.04(i).

"Governmental Action/Filing" means any franchise, grant, license, certificate of compliance, authorization, easement, certificate, permit, approval, consent or other action of, or any filing, registration or qualification with, any Governmental Authority.

"Governmental Authority" means any federal, state, provincial, municipal, local or foreign government or political subdivision thereof, any regulatory, tax, administrative or other agency, authority, commission, department, board, bureau, or instrumentality of any such government or political subdivision, any court, arbitral body (public or private) or tribunal, or any self-regulatory organization or quasi-governmental authority (including Nasdaq).

"GST" means goods and services tax as defined in the GST Act.

"GST Act" means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) of the Commonwealth of Australia.

"Hazardous Substances" means (i) those substances defined in or regulated under the following United States federal statutes and their state counterparts, as each may be amended from time to time, and all regulations thereunder: the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Federal Insecticide, Fungicide, and Rodenticide Act and the Clean Air Act; (ii) petroleum and petroleum products, including crude oil and any fractions thereof; (iii) natural gas, synthetic gas, and any mixtures thereof; (iv) polychlorinated biphenyls, asbestos and radon; (v) any other contaminant; and (vi) any substance, material or waste regulated by any Governmental Authority pursuant to any Environmental Law.

"HK Company Shares" has the meaning set forth in Section 3.03(a).

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Incentive Equity Plan" has the meaning set forth in Section 6.18.

"Indebtedness" means with respect to any Person, without duplication, any obligations, contingent or otherwise (together with accrued and unpaid interest thereon and any prepayment premium or other penalties and any fees, costs, and expenses thereunder due upon repayment thereof), in respect of (i) the principal of and premium (if any) in respect of all indebtedness for borrowed money, including accrued interest and any per diem interest accruals or cost associated with prepaying any such indebtedness solely to the extent such indebtedness is prepaid, (ii) the principal and interest components of capitalized lease obligations under GAAP or IFRS, as the case may be, (iii) amounts drawn (including any accrued and unpaid interest) on letters of credit, bank guarantees, bankers' acceptances and other similar instruments (solely to the extent such amounts have actually been drawn), (iv) the principal of and premium (if any) in respect of obligations evidenced by bonds, debentures, notes, debt securities, loans, credit agreements and similar instruments, (v) payment obligations of a third party secured by (or for which the holder of such payment obligations has an existing right, contingent or otherwise, to be secured by) any Lien, other than a Permitted Lien, on assets or properties of such Person, whether or not the obligations secured thereby have been assumed, (vi) the termination value of interest rate protection agreements and currency obligation swaps, hedges or similar arrangements (without duplication of other indebtedness supported or guaranteed thereby), (vii) the principal component of all obligations to pay the deferred and unpaid purchase price of property and equipment which have been delivered, including "earn outs" and "seller notes," and (viii) breakage costs, prepayment or early termination premiums, penalties, or other fees or expenses payable as a result of the consummation of the Transactions in respect of any of the items in the foregoing clauses (i) through (vii), and (ix) all Indebtedness of another Person referred to in clauses (i) through (viii) above guaranteed directly or indirectly, jointly or severally.

"IFRS" has the meaning set forth in Section 4.07(a).

"Insurance Policies" means all material insurance policies and material fidelity and surety bonds covering the assets, business, equipment, properties, operations, employees, officers and directors of a Person.

"Intellectual Property" means any or all of the following and all worldwide common law and statutory rights in, arising out of, or associated therewith: (i) Patents; (ii) inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know how, technology, technical data and customer lists, and all documentation relating to any of the foregoing; (iii) Copyrights; (iv) Software; (v) domain names, uniform resource locators and other names and locators associated with the Internet (vi) industrial designs and any registrations and applications therefor; (vii) Trademarks; (viii) all databases and data collections and all rights therein; (ix) all moral and economic rights of authors and inventors, however denominated, and (x) any similar or equivalent rights to any of the foregoing (as applicable).

"IRS" means Internal Revenue Service.

"knowledge" means actual knowledge or awareness as to a specified fact or event of (i) in the case of CAG, the Companies or the Company Subsidiaries, Peter Zuguang Wang, Edmond Cheng, or Wei Zhong, and (ii) in the case of Parent or the Parent Subsidiaries, Justin Davis-Rice or Mark Ziirsen.

"Legal Requirements" means any material federal, state, local, municipal, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, rule, regulation, Order or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

"Liability" or "Liabilities" means any and all debts, liabilities, and obligations, whether accrued or fixed, absolute or contingent, known or unknown, matured or unmatured, or determined or determinable, including those arising under any Legal Requirement, Action, or Order and those arising under any Parent Contract, arrangement, commitment or undertaking.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien, restriction or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any sale with recourse against the seller or any Affiliate of the seller, or any agreement to give any security interest).

"Liquidation Preference Acquisition Shares" means the number of Parent Shares issuable to CAG, and distributable by CAG to the holders of the CAG Preferred Shares in satisfaction of their liquidation preference in connection with the Distribution, in accordance with the CAG Charter Documents, and contracts binding on CAG and applicable Legal Requirements (rounded down to the nearest whole number of shares), but in any event not more than the number of shares constituting the Acquisition Share Pool. For the avoidance of doubt, all Parent Shares distributable to the holders of the Secured Convertible Notes in accordance with their terms at the Closing shall be included for the purposes of such calculation.

"Local Sale and Purchase Agreement" has the meaning set forth in Section 1.01.

"Material Adverse Effect" when used in connection with the Company Group, taken as a whole, or Parent and the Parent Subsidiaries, taken as a whole, as the case may be, means any event, circumstance, change or effect that, individually or in the aggregate with all other events, circumstances, changes and effects, (i) that would or would be reasonably likely to be materially adverse to the business, condition (financial or otherwise), assets, liabilities, or results of operations of the Companies and the Company Subsidiaries, taken as a whole, or Parent and the Parent Subsidiaries, taken as a whole, as applicable, or (ii) would prevent, materially delay the consummation of the Acquisition or any of the other Transactions; provided, however, that none of the following (or the effect of any of the following) alone or in combination shall be deemed, in and of itself, to constitute, or be taken into account in determining whether there has been or will be, pursuant to clause (i) above, a Material Adverse Effect: (A) acts of war, sabotage, civil or political unrest or terrorism, or any escalation or worsening of any such acts of war, sabotage, civil or political unrest or terrorism, (B) earthquakes, hurricanes, tornados or other natural or man-made disasters, acts of God, change in climate, or other force majeure events, (C) any pandemic, epidemic, plague or other general outbreak of illness (including COVID-19 or the effect of any abatement thereof, and any Permitted Action in response thereto, or any COVID-19 Measures or any change in such COVID-19 Measures or interpretations following the date of this Agreement), (D) changes in general economic, political, business, or financial market conditions (including, without limitation, exchange rates and interest rates generally) or changes in securities markets in general, (E) general changes in the industries in which the Companies and the Company Subsidiaries operate, (F) the execution of this Agreement and the Transaction Documents, the public announcement or pendency of the Transactions, the compliance with the terms and conditions of this Agreement (including the impact thereof on relationships with customers, suppliers, employees or Governmental Authorities, unless such impact relates to a breach of the representations, warranties, covenants, or agreements of CAG or the Companies or Parent, as applicable), (G) any proposal, enactment or change in interpretation of, or other change in, applicable Legal Requirements or U.S. GAAP (or equivalent accounting practice in any other jurisdiction), (H) any actions taken, or failures to take action, or such other changes or events, in each case, that the other Party has requested or to which it has consented, in each case, expressly in writing, or which actions are expressly contemplated by this Agreement, or (I) any failure in and of itself of the Companies or any of its Subsidiaries to meet any projections, forecasts, guidance, estimates, milestones, budgets or financial or operating predictions of revenue, earnings, cash flow or cash position; provided that this clause (I) shall not prevent a determination that any event, circumstance, change or effect underlying such failure has resulted in a Material Adverse Effect; provided, further, in the case of the foregoing clauses (A), (B), (C), (D), (E) and (G), in the event that a Party and its Subsidiaries, taken as a whole, are disproportionately affected by such change, event, occurrence or effect relative to companies in the industries in which such Party and its subsidiaries conduct their respective operations, the extent (and only the extent of the incremental disproportionate affect) of such adverse change, event, occurrence or effect, relative to such other participants, on the Party or its Subsidiaries may be taken into account in determining whether there has been a Material Adverse Effect.

"Material Company Contracts" has the meaning set forth in Section 3.18(a).

"Material Parent Contracts" has the meaning set forth in Section 4.19(a).

"Maturity Date" has the meaning set forth in Section 1.11.

"Nasdaq" has the meaning set forth in Section 4.24.

"Nonparty Affiliate" has the meaning set forth in Section 9.10.

"Note Purchase Agreement" means that certain Note Purchase Agreement, dated as of the date hereof, by and between CAG and the parties named therein.

"Notice of Meeting" has the meaning set forth in Section 6.01(a).

"Open Source License" means any license meeting the Open Source Definition (as promulgated by the Open Source Initiative) or the Free Software Definition (as promulgated by the Free Software Foundation), or any substantially similar license, including any license approved by the Open Source Initiative or any Creative Commons License. "Open Source Licenses" shall include Copyleft Licenses.

"Order" means any award, injunction, judgment, regulatory or supervisory mandate, order, writ, decree or ruling entered, issued, made, or rendered by any Governmental Authority that possesses competent jurisdiction.

"Outside Date" has the meaning set forth in Section 8.01(b).

"Parent" has the meaning set forth in the preamble.

"Parent Annual Financial Statements" has the meaning set forth in Section 4.07(a).

"Parent Balance Sheet" has the meaning set forth in Section 4.08.

"Parent Balance Sheet Date" means June 30, 2021.

"Parent Capital Stock" has the meaning set forth in Section 4.03(a).

"Parent Closing Statement" has the meaning set forth in Section 1.03.

"Parent Competing Proposal" means any proposal, agreement, arrangement, or transaction that, if entered into or completed, would mean a Person (other than CAG or the holders of capital stock in CAG) (either alone or together with any Affiliate) may (i) directly or indirectly acquire a Relevant Interest in, or have the right to acquire, a legal, beneficial, or economic interest in, or control of, 30% or more of the Parent Shares, (ii) acquire control of, or otherwise merge with, Parent or any of its controlled entities or a substantial portion of their assets, or (iii) enter into any agreement, arrangement, or understanding requiring Parent to abandon, cease to recommend, or otherwise fail to proceed with the Acquisition.

"Parent Contracts" has the meaning set forth in Section 4.19(a).

"Parent Data Security Requirements" has the meaning set forth in Section 4.16(b).

"Parent Disclosure Schedule" has the meaning set forth in ARTICLE IV.

"Parent ERISA Affiliate" has the meaning set forth in Section 4.11(e).

"Parent Financial Statements" has the meaning set forth in Section 4.07(a).

"Parent Group" has the meaning set forth in Section 9.17(a).

"Parent Information" means all financial and other information relating to Parent, the Parent Subsidiaries, and Parent shareholders (and the directors and officers of Parent to be elected or appointed effective as directors or officers of Parent as of the Closing pursuant to Section 6.13) and such other matters as may be reasonably necessary or advisable in connection with the preparation of the Notice of Meeting and any amendment or supplement thereto prepared by Parent for inclusion therein and for which Parent has agreed to assume responsibility in accordance with this Agreement.

"Parent Interim Financial Statements" has the meaning set forth in Section 4.07(a).

"Parent Loan" has the meaning set forth in Section 1.11.

"Parent Modification in Recommendation" has the meaning set forth in Section 6.01(f).

"Parent Personal Property" has the meaning set forth in Section 4.15(c).

"Parent Plan" has the meaning set forth in Section 4.11(a).

"Parent SEC Reports" has the meaning set forth in Section 4.07(a).

"Parent Share Equivalent" means any security exercisable or exchangeable for, or convertible into, newly issued Parent Shares.

"Parent Shares" has the meaning set forth in the recitals.

"Parent Shareholder Matters" has the meaning set forth in Section 6.01(a).

"Parent Subsidiaries" has the meaning set forth in Section 4.02(a).

"Parent Superior Proposal" means publicly announced, bona fide Parent Competing Proposal of the kind referred to in any of clause (ii) of the definition of Parent Competing Proposal (and not resulting from a breach by Parent of any of its obligations under Section 6.05(b) (it being understood that any actions by the Affiliates of Parent in breach of Section 6.05(b) shall be deemed to be a breach by Parent for the purposes hereof)) that a majority of the directors of Parent, acting in good faith, and after receiving written legal advice from its legal advisor and written advice from its financial advisor, determines (1) is reasonably capable of being valued and completed in a timely fashion taking into account all aspects of the Parent Competing Proposal, including any timing considerations, any conditions precedent, and the identity of the proponent; and (2) would, if completed substantially in accordance with its terms, be more favorable to the holders of the Parent Shares (as a whole) than the Acquisition, taking into account all terms and conditions of the Parent Competing Proposal.

"Parent Warrants" has the meaning set forth in Section 4.03(b).

"Party" has the meaning set forth in the preamble.

"Patents" means all patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof.

"Permitted Action" means any commercially reasonable action or inaction, whether or not in the ordinary course of business, that CAG or Parent, as applicable, reasonably believes is necessary or prudent for any Company or Company Subsidiary or Parent or any Parent Subsidiary, as applicable, to take or abstain from taking, in order to carry on and preserve or protect their respective businesses, assets or properties or to protect the health or safety of natural Persons employed by any Company or Company Subsidiary or Parent or any Parent Subsidiary, as applicable, in each case, solely in connection with COVID-19 or any other pandemic, disease outbreak or other public health emergency, or the effect of any abatement thereof.

"Permitted Liens" means (i) statutory Liens for Taxes, assessments or other governmental charges, in each case, not yet delinquent or the amount or validity of which is being contested in good faith, (ii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business, (iii) zoning, entitlement and other land use and environmental regulations promulgated by any Governmental Authority, (iv) covenants, conditions, restrictions, easements, rights of way, encumbrances, defects, imperfections, irregularities of title or other Liens, if any, that would not reasonably be expected to have a Material Adverse Effect on the Company Group, taken as a whole, or Parent and the Parent Subsidiaries, taken as a whole, as applicable, (v) with respect to any leased real property, (a) the interests and rights of the respective lessors with respect thereto and (b) any Lien permitted under the applicable lease agreement and any ancillary documents thereto, (vi) Liens created by the other Party or its successors and assigns, (vii) Liens securing existing indebtedness of a Party disclosed to the other Party as of the date hereof on Schedule 9.04(ii), including the Parent Loan and the secured convertible notes (the "Secured Convertible Notes") issued by CAG to Esousa Holdings LLC, the other noteholders named in the Note Purchase Agreement and their transferees, (viii) statutory or contractual Liens of lessors or Liens on the lessor's or prior lessor's interest, (ix) restrictions on sales of securities under applicable securities laws, and (x) Liens that will be terminated at or prior to Closing.

"Person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision, agency or instrumentality of a government, or Governmental Authority.

"Personal Information" means (i) information related to an identified or identifiable individual (e.g., name, address telephone number, email address, financial account number, government-issued identifier), (ii) any other data used or intended to be used or which allows one to identify, contact, or precisely locate an individual, including any internet protocol address or other persistent identifier, and (iii) any other, similar information or data regulated by Privacy/Data Security Laws.

"PPACA" has the meaning set forth in Section 3.11(j).

"PRC" means the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.

"Privacy/Data Security Laws" means all Legal Requirements governing the receipt, collection, use, storage, processing, sharing, security, disclosure, or transfer of Personal Information or the security of Company's Business Systems or Business Data, whether in the United States or other applicable jurisdiction.

"Relationship Agreement" has the meaning set forth in Section 1.05(a)(vi).

"Relevant Interest" has the meaning given to that term in Chapter 6 of the Australian Corporations Act.

"Representatives" has the meaning set forth in Section 6.02(a).

"Reviewable Document" has the meaning set forth in Section 6.04(a).

"Ruling" means any ruling, determination, arrangement, clearance, consent or advice issued by, or negotiated with, any Tax Authority in respect of any Tax or Tax Law.

"Sample Calculation" has the meaning set forth in Section 1.02.

"Sanctioned Country" means at any time, a country or territory which is itself the subject or target of any country-wide or territory-wide Sanctions Laws (at the time of this Agreement, the Crimea region, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means any Person that is the subject or target of sanctions or restrictions under Sanctions Laws or Ex-Im Laws, including: (i) any Person listed on any applicable U.S. or non-U.S. sanctions- or export-related restricted party list, including OFAC's Specially Designated Nationals and Blocked Persons List; (ii) any Person that is, in the aggregate, 50 percent or greater owned, directly or indirectly, or otherwise controlled by a Person or Persons described in clause (i); or (iii) any national of a Sanctioned Country.

"Sanctions Laws" means all U.S. and non-U.S. Laws relating to economic or trade sanctions, including the Laws administered or enforced by the United States (including by the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") or the U.S. Department of State), and the United Nations Security Council.

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002.

"Schedule 5.01" has the meaning set forth in Section 5.01.

"SEC" has the meaning set forth in Section 3.18(a).

"Securities Act" means the Securities Act of 1933, as amended.

"SIS Act" has the meaning set forth in Section 4.12(b).

"Software" means all computer software (in object code or source code format), data and databases, and related documentation and materials.

"subsidiary" or "subsidiaries" means, as of any time of determination and with respect to any specified Person, (i) a corporation more than fifty percent (50%) of the voting or capital stock of which is, as of such time, directly or indirectly owned by such Person and (ii) any corporation, partnership, limited liability company, joint venture, association, or other entity, in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interest, of which such Person has the power to elect or direct the election of more than fifty percent (50%) of the members of the governing body thereof, or of which such Person has the power to exercise more than fifty percent (50%) of the management rights thereof, as of such time.

"Superannuation Funds" has the meaning set forth in Section 4.12(a).

"Support Agreements" has the meaning set forth in Section 1.10.

"Supporting Shareholders" has the meaning set forth in Section 1.10.

"Tax" or "Taxes" means any or all federal, state, local and foreign income, profits, capital gains, franchise, gross receipts, environmental, capital stock, severances, stamp, payroll, sales, employment, unemployment, disability, use, property, withholding, excise, production, goods and services, value added, occupancy and other Taxes, duties, withholdings, imposts, excises, charges, rates, levies or assessments of any nature whatsoever (including, without limitation, GST), together with all interest, penalties and additions imposed with respect to such amounts and any interest in respect of such penalties and additions. For the avoidance of doubt, this definition covers Taxes of any jurisdiction.

"Tax Authority" means any Governmental Authority responsible for the collection of any Tax or administration of any Tax Law.

"Tax Law" means any law with respect to or imposing any Tax.

"Tax Return" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns, as well as attachments thereto and amendments thereof) required to be supplied to a Governmental Authority relating to Taxes.

"Trade Control Laws" has the meaning set forth in Section 3.23(b).

"Trademarks" means trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefor.

"Trading Day" means any day on which the Parent Shares are actually traded on the principal securities exchange or securities market on which Parent Shares are then traded.

"Transaction Documents" mean this Agreement, the Support Agreements, the Confidentiality Agreement, and all the agreements documents, instruments and certificates entered into in connection herewith or therewith and any and all exhibits and schedules thereto.

"Transactions" means the transactions contemplated by or pursuant to this Agreement or the Transaction Documents, including the Acquisition.

"U.S. Company Capital Stock" has the meaning set forth in Section 3.03(a).

"U.S. GAAP" has the meaning set forth in Section 3.07(b).

"Wang Parties" has the meaning set forth in Section 1.05(a)(vi).

9.05 Amendment. This Agreement may be amended by the Parties at any time only by execution of an instrument in writing signed on behalf of each of the Parties. The approval of this Agreement by the stockholders of any Party shall not restrict the ability of the board of directors of such Party to terminate this Agreement in accordance with Section 8.01 or to cause such Party to enter into an amendment to this Agreement pursuant to this Section 9.05; provided, however, that, after the approval and adoption of this Agreement by the stockholders of a Party, no amendment may be made that would increase the amount or change the type of consideration receivable by such Party or such Party's stockholders upon consummation of the Acquisition.

9.06 Extension; Waiver. At any time prior to the Closing, any Party may (a) extend the time for the performance of any obligation or other act of any other Party, (b) waive any inaccuracy in the representations and warranties of any other Party contained herein or in any document delivered pursuant hereto, or (c) waive compliance with any agreement of any other Party or any condition to its own obligations contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the Party or Parties to be bound thereby. Delay in exercising or failure to assert any right under this Agreement shall not constitute a waiver of such right. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement.

9.07 Severability. In the event that any term or provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, (a) such term or provision will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable term or provision had never comprised a part hereof; and (c) the remainder of this Agreement will continue in full force and effect and the application of such term or provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

9.08 Entire Agreement; Third Party Beneficiaries; Assignment. This Agreement and the documents and instruments and other agreements among the Parties as contemplated by or referred to herein, including the Exhibits and Schedules hereto, and the Confidentiality Agreement, (a) constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Parties and any of their respective Affiliates with respect to the Transactions; and (b) are not intended to confer upon any other Person any rights or remedies hereunder (except as specifically provided in this Agreement, including Section 6.06), including, for the avoidance of doubt, any holder of equity or other securities of CAG or Parent. No representations, warranties, covenants, understandings, and agreements, oral or otherwise, relating to the Transactions exist between the Parties, except as expressly set forth or referenced in this Agreement and the Confidentiality Agreement. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties. Subject to the immediately foregoing sentence, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

9.09 Schedules. The information furnished in the Schedules is arranged in sections corresponding to the Sections of this Agreement, and the disclosures in any section of the Schedules shall qualify (a) the corresponding Section of this Agreement and (b) other Sections of this Agreement to the extent (notwithstanding the absence of a specific cross-reference), that it is reasonably apparent on its face that such disclosure is also applicable to such other Sections of this Agreement. The Schedules and the information and disclosures contained in such Schedules are intended only to qualify and limit the representations and warranties of the Parties contained in this Agreement and shall not be deemed to expand in any way the scope of any such representation or warranty. The inclusion of any information in the Schedules shall not be deemed to be an admission or acknowledgment that such information is required to be disclosed in connection with the representations and warranties made in this Agreement, is material, or is outside the ordinary course of business. The inclusion of any fact or information in a Schedule is not intended to be construed as an admission or concession as to the legal effect of any such fact or information in any proceeding between any Party and any Person who is not a Party.

9.10 Non-Recourse. This Agreement may only be enforced against, and any claim or cause of action based upon, arising out of, or related to this Agreement or the Transactions may only be brought against, CAG, the Companies or Parent and then only with respect to the specific obligations set forth herein with respect to such Party. No past, present or future Affiliate or Representative of any Party hereto, any Affiliate of any Party hereto or any of the foregoing (each a "Nonparty Affiliate") shall have any liability (whether in contract, tort, equity or otherwise) for any one or more of the representations, warranties, covenants, agreements or other obligations or liabilities of any one or more of CAG, the Companies or Parent under this Agreement of or for any claim based on, arising out of, or related to this Agreement or the Transactions, except with respect to willful misconduct or actual fraud against the Person who committed such willful misconduct or actual fraud. The Parties acknowledge and agree that the Nonparty Affiliates are intended third-party beneficiaries of this Section 9.10. Notwithstanding anything to the contrary herein, none of the Parties or any Nonparty Affiliate shall be responsible or liable for any multiple, consequential, indirect, special, statutory, exemplary or punitive damages which may be alleged as a result of this Agreement, the Transaction Documents, or any other agreement referenced herein or therein or the Transactions, or the termination or abandonment of any of the foregoing.

9.11 Other Remedies; Specific Performance. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties and the third party beneficiaries to this Agreement shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party agrees that it will not oppose the granting of specific performance and other equitable relief on the basis that the other Parties have an adequate remedy at law or that an award of specific performance is not an appropriate remedy for any reason at law or equity. The Parties acknowledge and agree that any Party seeking an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 9.11 shall not be required to provide any bond or other security in connection with any such injunction. The right of specific performance, injunctive and other equitable remedies is an integral part of the Transactions and without that right, neither CAG, the Companies nor Parent would have entered into this Agreement.

9.12 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, regardless of the law that might otherwise govern under applicable principles of conflicts of law thereof. Each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the Delaware Chancery Court (or, if the Delaware Chancery Court shall be unavailable, any other court in the State of Delaware or, in the case of claims to which the federal courts have exclusive subject matter jurisdiction, any federal courts of the United States of America sitting in the State of Delaware) in connection with any matter based upon or arising out of this Agreement or the Transactions. Each of the Parties agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such Persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction, venue and manner of service of process. Each Party hereby agrees not to commence any legal proceedings relating to or arising out of this Agreement or the Transactions in any jurisdiction or courts, other than as provided herein. Without limiting the foregoing, each Party agrees that service of process on such party in accordance with Section 9.03 shall be deemed effective service of process on such Party and each Party waives any further argument that such service is insufficient

9.13 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS. EACH OF THE PARTIES HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THAT FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.13.

9.14 Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

9.15 Rules of Construction. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

9.16 Counterparts; Electronic Delivery. This Agreement and each other document executed in connection with the Transactions, and the consummation thereof, may be executed in two or more counterparts, all of which shall be considered one and the same document and shall become effective when two or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery by electronic transmission to counsel for the other Parties of a counterpart executed by a Party shall be deemed to meet the requirements of the previous sentence.

9.17 Conflicts and Privilege.

(a) Parent and CAG, on behalf of their respective successors and assigns hereby agree that, in the event a dispute with respect to this Agreement or the Transactions arises after the Closing between or among the shareholders or holders of other equity interests of Parent and/or any of their respective directors, members, partners, officers, employees, or Affiliates (other than Parent) (collectively, the "Parent Group"), on the one hand, and Parent and/or any member of the Company Conflict Group, on the other hand, any legal counsel (including Graubard Miller) that represented Parent prior to the Closing may represent any other member of the Parent Group in such dispute, even though the interests of such Persons may be directly adverse to Parent, and even though such counsel may have represented Parent in a matter substantially related to such dispute, or may be handling ongoing matters for Parent and/or any other member of the Company Conflict Group. Parent and CAG further agree that, as to all legally privileged communications prior to the Closing between or among any legal counsel (including Graubard Miller) that represented Parent and/or any other member of the Parent Group prior to the Closing and any one or more such Persons that relate in any way to the transactions contemplated hereby, the attorney/client privilege and the expectation of client confidence belongs to the Parent Group and shall be controlled by the Parent Group, and shall not pass to or be claimed or controlled by Parent or CAG. Notwithstanding the foregoing, any privileged communications or information shared by CAG prior to the Closing with Parent and/or any other member of the Parent Group (in any capacity) under a common interest agreement shall remain the privileged communications or information of Parent.

(b) CAG and Parent, on behalf of their respective successors and assigns hereby agree that, in the event a dispute with respect to this Agreement or the transactions contemplated hereby arises after the Closing between or among the stockholders or holders of other equity interests of CAG and/or any of their respective directors, members, partners, officers, employees, or Affiliates (other than Parent) (collectively, the "Company Conflict Group"), on the one hand, and the Companies and/or any member of the Parent Group, on the other hand, any legal counsel (including Pillsbury Winthrop Shaw Pittman LLP) that represented CAG prior to the Closing may represent Parent and any member of the Company Group in such dispute even though the interests of such Persons may be directly adverse to the Companies, and even though such counsel may have represented CAG in a matter substantially related to such dispute, or may be handling ongoing matters for the Companies. Parent and CAG further agree that, as to all legally privileged communications prior to the Closing between or among any legal counsel (including Pillsbury Winthrop Shaw Pittman LLP) that represented the Companies prior to the Closing and any one or more such Persons that relate in any way to the transactions contemplated hereby, the attorney/client privilege and the expectation of client confidence belongs to the Company Group and shall be controlled by CAG, and shall not pass to or be claimed or controlled by Parent (after giving effect to the Closing) or the Companies. Notwithstanding the foregoing, any privileged communications or information shared by Parent prior to the Closing with any member of the Company Group under a common interest agreement shall remain the privileged communications or information of Parent.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

EXECUTED by **NAKED BRAND GROUP LIMITED ACN 619 054 938** in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

/s/ Justin Davis-Rice	*/s/ Mark Ziirsen*
Signature of Director	Signature of Director / Company Secretary (delete as applicable)
Justin Davis-Rice	Mark Ziirsen
Name of Director (Please print)	Name of Director / Company Secretary (Please print)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

CENNTRO AUTOMOTIVE GROUP LIMITED, a Cayman Islands company limited by shares

By: */s/ Peter Zuguang Wang*
Name: Peter Zuguang Wang
Title: Chief Executive Officer

CENNTRO AUTOMOTIVE GROUP LIMITED, a Hong Kong company

By: */s/ Peter Zuguang Wang*
Name: Peter Zuguang Wang
Title: Chief Executive Officer

CENNTRO AUTOMOTIVE CORPORATION

By: */s/ Peter Zuguang Wang*
Name: Peter Zuguang Wang
Title: Chief Executive Officer

CENNTRO ELECTRIC GROUP, INC.

By: */s/ Peter Zuguang Wang*
Name: Peter Zuguang Wang
Title: Chief Executive Officer

[*Signature Page to Stock Purchase Agreement*]

Exhibit 10.2

LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT (this "**Agreement**"), dated as of November 5, 2021, is made by and among **NAKED BRAND GROUP LIMITED**, an Australian company with its home office at Level 61, MLC Centre, 25 Martin Place Sydney, NSW 2000, Australia ("**Lender**"), and each of **CENNTRO AUTOMOTIVE GROUP LIMITED**, a Hong Kong private company limited by shares ("**CAG HK**"), **CENNTRO AUTOMOTIVE CORPORATION**, a Delaware corporation ("**CAC**"), and **CENNTRO ELECTRIC GROUP, INC.**, a Delaware corporation ("**CEG**" and collectively with CAG HK and CAC, individually or collectively as the context may require, the "**Borrower**," the "**Borrowers**" or the "**Companies**"), each having an address set forth in *Item 4(d)* of the Master Loan Schedule attached hereto ("**Loan Schedule**"). The Loan Schedule is hereby incorporated herein by reference and made a part of this Agreement.

RECITALS:

WHEREAS, the Lender, the Companies and Cenntro Automotive Group Limited, a Cayman Islands company limited by shares ("**CAG**"), the parent company of each of the Companies, are entering into that certain Stock Purchase Agreement on the date hereof (the "**Purchase Agreement**"), pursuant to which Lender has agreed to purchase, and CAG has agreed to sell, all of the issued and outstanding shares of capital stock of the Companies (the "**Transaction**");

WHEREAS, the Purchase Agreement contemplates that, simultaneously with the execution thereof, the Lender will extend a loan to Borrower (which loan shall be on the terms and conditions set forth herein);

WHEREAS, the Promissory Note dated October 27, 2021 between Cenntro Enterprise Limited and Naked Brand Group Limited in an original principal amount of $5,000,000 will be (in each case immediately preceding the entry into this Agreement) assigned and assumed in whole by the Companies and repaid in full by deducting the outstanding principal amount and accrued interest thereon from the proceeds of the Loan extended by the Lender hereunder; and

WHEREAS, simultaneously the execution hereof, CAG will execute a pledge agreement in favor of Lender with respect to the equity interests of CAG HK held by CAG.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, each of the parties hereto do hereby agree as follows:

ARTICLE I

THE LOAN

SECTION 1.1 Loan. Subject to the terms and conditions of this Agreement, Lender agrees to lend to Borrower the amount set forth in *Item 1(a)* of the Loan Schedule (the "**Loan**", and such amount, the "**Loan Amount**") concurrently with the execution of this Agreement, by wire transfer to the account(s) of Borrower as set forth in *Item 2* of the Loan Schedule.

SECTION 1.2 Promissory Note. The Loan shall be evidenced by a secured promissory note in the form of Exhibit A hereto ("**Note**"). The terms and conditions of the Note are incorporated herein by reference as if fully set forth herein. In the event of conflict between the provisions of this Agreement (including the Loan Schedule) and the provisions of the Note, the provisions of the Note shall govern.

SECTION 1.3 Payment. Loan principal and all interest thereon shall be due and payable by Borrower to Lender in full on the Maturity Date.

SECTION 1.4 Maturity; Note. The Maturity Date is as set forth in the Note and *Item 1(d)* of the Loan Schedule. Subject to Section 1.3, above, all principal of the Loan, together with interest due thereon, shall be due and payable in full on the Maturity Date, time being of the essence.

SECTION 1.5 Interest. The Loan shall bear interest until maturity at the per annum rate set forth in the Note and *Item 1(b)* of the Loan Schedule, and shall be payable to Lender as provided in Section 1.3 above. If the Repayment Amount (as defined in the Loan Schedule), as set forth in the Note and *Item 1(f)* of the Loan Schedule, is not paid in full to Lender by the Maturity Date, time being of the essence, the Loan shall bear interest at the lower of (a) the rate of 13% per annum and (b) the highest rate allowed by law on the unpaid principal amount thereof, payable on demand.

SECTION 1.6 Pre-Payment. The Loan may be prepaid only if this is expressly stated in *Item 1(g)* of the Loan Schedule. If the Loan may be prepaid by Borrower, the terms and conditions of such prepayment shall be as set forth in the Note.

SECTION 1.7 Use of Proceeds. Except as set forth in *Item 5* of the Loan Schedule, the proceeds of the Loan shall be used by Borrower for general corporate and working capital purposes, including its business and operations.

SECTION 1.8 [Reserved]

SECTION 1.9 Assignment. Borrower may not assign, sell or otherwise transfer this Agreement, the Note or any other Loan Documents (as defined in Section 2.1(b) below). Lender may not assign, sell or otherwise transfer this Agreement, the Note and any other Loan Documents, in whole or in part, without the prior written consent of the Borrowers; provided that if any amount of principal or interest thereon is not paid to Lender as and when due on the Maturity Date or upon any earlier acceleration of the obligations of the Borrower under this Agreement, the Note and the other Loan Documents (as defined below) (the "**Obligations**") pursuant to Section 6.2, Lender may assign this Agreement, the Note and/or any Loan Documents in its discretion to any Person (other than natural persons or competitors of the Company and/or affiliates thereof) without the consent of Borrower.

SECTION 1.10 Conditions. It shall be a condition to Lender's obligation to extend the Loan that:

(a) At the time of the making of the Loan, the representations and warranties of Borrower under Article II hereof shall be true and correct in all material respects (except to the extent such representations and warranties are subject to a materiality qualifier, in which case such representations shall be true and correct in all respects);

(b) All documents executed and delivered in connection with the Loan shall be in form and substance satisfactory to Lender and its counsel;

(c) Any consent required for Borrower to execute and deliver this Agreement, the Note and the other Loan Documents, and to perform its obligations hereunder and thereunder have been validly obtained and delivered to Lender and remain in full force and effect;

(d) The Purchase Agreement and the other transaction documents contemplated thereby (such documents, as each may be amended, supplemented or otherwise modified, collectively, the "**Transaction Documents**") (if any) required to be signed concurrently with the Purchase Agreement by the terms thereof have been executed by the parties as of even date herewith;

(e) The Lender shall be in receipt of such certificates of good standing (to the extent such concept exists in the applicable jurisdiction) from the applicable secretary of state (or similar body of the relevant jurisdiction) of the state (or other jurisdiction) of organization of each Borrower, copies of resolutions or other corporate or limited liability company action, incumbency certificates and/or other certificates of responsible officers of each Borrower as the Lender may reasonably require evidencing the identity, authority and capacity of the Borrowers and such officers; and

(f) The Lender shall be in receipt of the documents set forth on *Item 11* of the Loan Schedule (the "**Loan Security Documents**") required to be executed on the date the Loan is made hereunder (such date, the "**Closing Date**") as indicated on such schedule, duly executed by each Loan Party thereto, together with (i) subject to the Intercreditor Agreement, certificates, if any, representing the Collateral constituting certificated equity securities of any US domestic subsidiary of the Borrowers referred to therein accompanied by undated stock powers executed in blank; and (ii) proper financing statements (Form UCC-1 or the equivalent) for filing under the UCC or other appropriate filing offices of each jurisdiction as may be necessary to perfect the security interests purported to be created by the Borrowers pursuant to the terms hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF BORROWER

SECTION 2.1 In order to induce Lender to make the Loan, Borrower hereby represents and warrants to Lender on the date hereof as follows. As used in this Article II, the term "Borrower" includes each and all of CAG HK, CAC and CEG, unless the context otherwise requires.

(a) Borrower is an entity of the applicable type described in the preface of this Agreement and on *Item 4(e)* of the Loan Schedule, duly formed, organized, validly existing and, to the extent such concept applies in the entity's jurisdiction of formation, in good standing under the laws of the state or jurisdiction indicated in *Item 4(f)* of the Loan Schedule, and has all requisite power to own its properties and to carry on its business as now conducted and as proposed to be conducted. Borrower (directly or through any subsidiary) is authorized to do business in each of the states or jurisdictions (as applicable) set forth in *Item 4(h)* of the Loan Schedule. The subsidiaries of Borrower that are material to the Companies and their subsidiaries taken as a whole (and the principal address and state or other jurisdiction of formation of each such subsidiary) are as set forth in *Item 8* of the Loan Schedule. Other than as specified in *Item 8* of the Loan Schedule, Borrower owns, directly or through one or more other subsidiaries, 100% of the outstanding capital stock or other Equity Interests (as defined below) of each such subsidiary, and no person (other than any Borrower or subsidiary thereof) has any option or right to acquire, or any lien, encumbrance or claims on, any Equity Interest in any such subsidiary, except as specifically indicated on such *Item 8(d)* or *Item 7(c)*. Each such subsidiary was duly formed, organized and is validly existing and in good standing (to the extent such concept exists) under the laws of its state (or other applicable jurisdiction) of formation and has all requisite power to own its properties and to carry on its business as now conducted and as proposed to be conducted, except to the extent that the failure to be in good standing would not reasonably be expected to have a Material Adverse Effect. The Borrower and each such subsidiary is duly qualified to do business in each foreign jurisdiction where it is required to be so qualified, except to the extent that the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect. The term "**Equity Interests**" means, with respect to any entity, all of the shares of capital stock of (or other ownership or profit interests in) such entity, all of the warrants, options or other rights for the purchase or acquisition from such entity of shares of capital stock of (or other ownership or profit interests in) such person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such entity or warrants, rights or options for the purchase or acquisition from such entity of such shares (or such other interests), and all of the other ownership or profit interests in such entity (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination. The term "**subsidiary**" means, as of any applicable date, any limited liability company, partnership, joint venture, corporation, trust, or any other entity in which a Borrower, directly or indirectly (i) owns more than 50% of the outstanding capital stock or holds any equity or similar interest of such Person or (ii) has the power to direct or cause the direction of the management through voting power or by contract of such Person.

(b) Each Borrower has full power and authority to enter into this Agreement, to make the borrowings hereunder, to execute and deliver the Note and any other agreements, instruments and documents delivered in connection herewith or therewith, and each Borrower has full power and authority to enter into any Loan Security Document to which it is a party (this Agreement, the Note, the Loan Security Documents and such other agreements, instruments and documents identified therein as a "Loan Document" (but for the avoidance of doubt, not including the Transaction Documents), collectively, the "**Loan Documents**"), and to incur and perform all liabilities, indebtedness, actions and obligations provided for herein and therein. The execution and delivery by each Borrower of, and the performance by each Borrower of this Agreement and the Loan Documents have been duly authorized by all necessary company or other entity action. Except as otherwise contemplated hereby or under any other Loan Documents or the Intercreditor Agreement, the provisions of this Agreement and the Loan Security Documents, together with such filings and other actions required to be taken hereby or by the applicable Loan Security Documents are effective to create in favor of the Lender, a legal, valid, enforceable and first-priority perfected lien on all right, title and interest of the respective Borrowers in the Collateral described herein and therein subject to (i) bankruptcy, insolvency, reorganization, liquidation, readjustment of debt or other law of general application relating to or affecting the enforcement of creditors' rights and by general principles of equity, (ii) the need for filings and registrations necessary to create or perfect the liens on the Collateral granted by the Borrowers in favor of the Lenders, and (iii) Liens permitted by Section 3.2.

(c) This Agreement, the Note and the other Loan Documents constitute the valid and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, liquidation, readjustment of debt or other law of general application relating to or affecting the enforcement of creditors' rights and by general principles of equity.

(d) All information provided by Borrower to Lender in *Items 2 – 10* of the Loan Schedule and all historical financial statements, provided by Borrower to Lender ("**Borrower Information**") is complete and accurate in all material respects. The Borrower Information does not omit any material information reasonably necessary to understand, in light of the circumstances under which such information was provided, the Borrower Information so provided, taken as a whole.

(e) Borrower has no material liabilities except for those set forth in the Borrower Information or in the Transaction Documents and those arising after the date hereof (i) in the ordinary course of business, consistent with past practice or (ii) to the extent permitted under the Transaction Documents, including under the Convertible Secured Notes issued on or about November 5, 2021 by CAG to the holders thereof in the aggregate principal amount of $50 million (the "**Convertible Secured Notes**"). Neither Borrower nor any subsidiary has any indebtedness for borrowed money except as specifically indicated on *Item 9* of the Loan Schedule or in the Transaction Documents.

(f) Borrower (and each subsidiary) is in compliance under all leases, contracts and agreements to which it is a party or by which any of its assets are bound and Borrower (and any applicable subsidiary) has made all payments and performed all obligations under such leases, contract and agreements as required to be performed through the date hereof except to the extent such non-compliance would not reasonably be expected to materially adversely affect the business, financial condition, assets, liabilities, or results of operations of the Companies and their respective subsidiaries, taken as a whole, or the Borrowers' ability to perform their respective obligations hereunder, under the Note or under the other Loan Documents (a "**Material Adverse Effect**").

(g) There exist no security interests, liens, mortgages, encumbrances or other restrictions upon the Collateral of the Borrowers or the Material Subsidiaries (as defined below) other than the security interest granted or to be granted to Lender pursuant hereto and under the Loan Documents, except as set forth specifically in *Item 7(c)* of the Loan Schedules or as disclosed under the Transaction Documents.

(h) The execution, delivery and performance by Borrower of this Agreement and the Loan Documents does not contravene any applicable law, regulation, order, constitutional document, or contractual restriction binding on or affecting Borrower, its business or properties, or any applicable subsidiary's business or properties, except to the extent such contravention would not reasonably be expected to have a Material Adverse Effect.

(i) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Borrower of this Agreement or any other Loan Document or the matters contemplated herein or therein and for Lender to enjoy the benefits conferred hereby or thereby except such filings as may be necessary under applicable law or to perfect the security interest granted Lender hereunder and under the Loan Documents.

(j) No Borrower nor any subsidiary of a Borrower is in breach of or in default under any judgment, decree or order applicable to Borrower, its subsidiaries or any of Borrower's or such subsidiaries' properties.

(k) There is no pending or, to the knowledge of any Borrower, threatened action or proceeding affecting any Borrower before any court, governmental agency or arbitrator which would be reasonably be expected to result in a Material Adverse Effect.

(l) Borrower and its applicable subsidiaries own and have good and marketable title to the Collateral, free and clear of all liens, security interests, mortgages, restrictions and other encumbrances, except as specified in clause (g) of this Section 2.1 above.

(m) No representation or warranty by Borrower contained in this Agreement or in the other Loan Documents and no information contained in any Schedule or in the Loan Documents, in each case when taken as a whole, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading.

(n) No consent of any person (other than any such consents provided prior to or in connection with the entry into the applicable Loan Document) is required for Borrower to execute and deliver the Loan Agreement, the Note and the other Loan Documents or to provide Lender with the security interests and other rights set forth in this Agreement and the other Loan Documents. No consent of any person is or will be required for Lender to realize on any of the Collateral upon applicable breach of this Loan Agreement or the Note, except for those consents specifically set forth in *Item 10* of the Loan Schedule, or which consents have been validly obtained and delivered to Lender prior to the date hereof or otherwise required by applicable law.

(o) All material tangible Collateral is located at the addresses set forth in *Item 7(b)* of the Loan Schedule. No material tangible Collateral is located in any location other than those set forth in such *Item 7(b)*. In the event any material tangible Collateral is moved to a location other than those set forth in such *Item 7(b)*, Borrower shall promptly notify Lender of the new location address. There exist no liens, encumbrances or mortgages on any Collateral, other than as specified pursuant to Section 2.1(g). Borrower will, prior to or promptly after any change described in the preceding sentence, take all actions reasonably required by the Lender to maintain the perfection and priority of the Lender's security interest in the Collateral.

(p) The Borrowers (on a consolidated basis) will be solvent after giving effect to the transactions contemplated by this Agreement and the Loan Documents.

(q) The Equity Interests of Borrower and each of its subsidiaries, which in each case is subject to the security interest granted hereunder or under the relevant Loan Security Document is fully paid and not subject to any option or purchase or surrender rights. The constitutional documents of companies whose shares are subject to the security interest granted hereunder or thereunder do not and could not restrict or inhibit any transfer to those shares or creation or enforcement of the security interest granted hereunder or thereunder. There are no agreements in force which provide for the issue or allotment of, or grant any person to call from the issue or allotment of, any share or loan capital of any company (including any option or right of pre-emption or conversion) which in each case is subject to the security interest granted hereunder or thereunder.

ARTICLE III

BORROWER'S COVENANTS

SECTION 3.1 Affirmative Covenants. Each Borrower hereby covenants that so long as any amount due hereunder or under the Note remains outstanding and unpaid, it will, and it will cause each of its subsidiaries that holds assets or generates revenues which are material to the business or operations of the Borrowers, taken as a whole (each a "**Material Subsidiary**") to, in each case unless (i) otherwise consented to in writing by Lender or (ii) alternative action or circumstance is specifically permitted or prescribed by the Transaction Documents (and provided the Transaction Documents have not been terminated):

(a) use the proceeds of the Loan only for the purposes prescribed hereby;

(b) pay and discharge, at or before maturity, all of its obligations and liabilities, including without limitation tax liabilities, except where the same may be contested in good faith and, if requested by Lender, maintain appropriate bond or cash reserves in respect of such applicable obligations and liabilities;

(c) keep all of its property in good working order and condition, ordinary wear and tear excepted; maintain, with financially sound and reputable insurance companies, insurance on its properties in such amounts and against such risks as are mandated by sound business practice; and, promptly upon the reasonable request of Lender, take all action necessary (as may be requested by Lender in accordance with Section 4.3) so that Lender shall be named as loss payee or additional insured on all material liability or property insurance of which the Borrower or one of its Material Subsidiaries is named as insured;

(d) promptly give notice in writing to Lender of (i) the occurrence of any event or circumstance which constitutes or would with the applicable passage of time constitute an Event of Default (as defined in Section 6.1 below) under this Agreement; (ii) any litigation, proceeding, investigation or dispute which may exist at any time between Borrower or its Material Subsidiaries and any governmental regulatory body which might substantially interfere with the normal business operations of Borrower or its Material Subsidiaries; (iii) all litigation and proceedings against the Borrower or its Material Subsidiaries in which the amount involved is $250,000 or more and not covered by insurance or indemnity or in which injunctive or similar relief is sought; and (iv) any event or circumstance which would constitute a Material Adverse Effect;

(e) continue to engage in business of the same general type or line of business as now conducted and contemplated to be conducted by it and preserve, renew and keep in full force and effect its existence and take all reasonable action to maintain its material rights, privileges, licenses and franchises necessary in the normal conduct of Borrower's and its Material Subsidiaries' business;

(f) keep proper and accurate books and records of its accounts and properties in which full, true and correct entries in conformity with appropriate accounting principles and all requirements of law shall be made of all dealings and transactions in relation to its business and activities and permit authorized representatives of Lender to visit and inspect any of its respective properties and examine and make abstracts from any of its books and records upon reasonable notice at any reasonable time during an Event of Default;

(g) furnish to Lender with quarterly unaudited financial statements (constituting statements of operations, statement of cash flows and a balance sheet) and an annual financial statement (containing similar statements and notes thereto) in form and substance consistent with financial statements historically prepared by the Borrowers; provided that delivery of the financial statements required under the Transaction Documents shall be deemed to satisfy this paragraph;

(h) in respect of CAG HK, procure that it and its applicable subsidiaries will comply in all respects with sections 274 and 275 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and any equivalent legislation in other jurisdictions including in relation to the execution of the Loan Security Documents and payment of amounts due under this Agreement; and

(i) Borrower will give Lender such other financial information as Lender may reasonably request.

SECTION 3.2 Negative Covenants. Each Borrower hereby covenants that so long as any amount due hereunder or under the Note remains outstanding and unpaid, it will not, and it will not permit its Material Subsidiaries to, directly or indirectly, in each case unless (i) otherwise consented to in writing by Lender or (ii) specifically permitted by the Transaction Documents or undertaken to comply with the terms of the Transaction Documents as specifically prescribed therein (and provided the Transaction Documents have not been terminated):

(a) create, incur, assume, or suffer to exist any indebtedness for borrowed money (other than under the terms of the Note) in an aggregate amount in excess of $1.0 million, except (i) indebtedness existing as of the date hereof and any permitted refinancings thereof pursuant to the terms and conditions of the Transactions Documents and (ii) the Convertible Secured Notes;

(b) create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest or encumbrance of any kind upon any of its property or assets, income or profits, whether now owned or hereafter acquired, except for (1) any of the foregoing existing or created under this Agreement and the other Loan Documents, (2) any of the foregoing existing or created as of the date hereof, or (3) any of the foregoing existing or created under the Convertible Secured Notes;

(c) assume, guarantee, indorse or otherwise in any way be or become responsible or liable for the obligations of any person, firm, corporation, or other entity (all such transactions being herein called "**guarantees**"), whether by agreement to purchase or repurchase obligations, or by agreement to supply funds for the purpose of paying, or enabling such entity to pay, any obligations (whether through purchasing stock, making a loan advance or capital contribution or by means of agreeing to maintain or cause such entity to maintain, a minimum working capital or net worth of any such entity, or otherwise) except (1) in the ordinary course of business, consistent with past practice, or (2) pursuant to the Convertible Secured Notes;

(d) change its name, identity, type of organization, jurisdiction of organization, corporate structure, location of its chief executive office or its principal place of business or its organizational identification number, unless the applicable financing statement(s) perfecting the Lender's security interest hereunder are amended or otherwise modified as necessary to maintain the perfection of the Lender's security interest hereunder;

(e) enter into any transaction of merger or consolidation or liquidate or dissolve itself (or suffer any liquidation or dissolution) or convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of related transactions, all or a substantial part of its property (real or personal), business, or assets, or make any material change in the method of conducting business presently contemplated;

(f) dispose of any property of the Borrower or its subsidiaries, whether now owned or hereinafter acquired, or issue or sell any Equity Interests of any such subsidiary to any person, except: (i) the sale or disposition of machinery and equipment no longer used or useful in the business of the Borrower or any of its subsidiaries; (ii) the disposition of obsolete or worn-out property in the ordinary course of business; or (iii) the sale of inventory and immaterial assets in the ordinary course of business;

(g) make any advances or loans to, or investments (by way of transfers of property, contributions to capital, acquisitions of stock, or securities or evidences of indebtedness, acquisitions of businesses, acquisitions of assets or otherwise), to any person, firm, subsidiary, affiliate, corporation or other business entity;

(h) make any payment of principal or any debt, with a maturity of more than one year, for borrowed money (except the Obligations) or for the deferred purchase price of property or services, except (i) at the stated maturity of such debt or as required by mandatory prepayment provisions relating thereto (subject to any subordination provisions applicable thereto), and (ii) subject to the intercreditor agreement, dated as of the date hereof, by and among Lender and Esousa Holdings LLC (the "**Intercreditor Agreement**"), the Convertible Secured Notes;

(i) enter into any agreement, or be or become liable under any agreement, for the lease, hire or use of any real or personal property, except leases or renewals thereof in the ordinary course of business;

(j) enter into any arrangement with any person whereby it shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except for sale/leaseback transactions involving motor vehicles and/or equipment entered into in the ordinary course of business;

(k) enter into any transactions with any affiliate involving the purchase, sale or exchange of property or the rendering of any service with respect to transact, except in the ordinary course of and pursuant to the reasonable requirements of its business and upon fair and reasonable terms no less favorable to it as would be obtained in any arm's length transaction with a person not an affiliate;

(l) materially modify the compensation of any executive officer of any Borrower, other than in the ordinary course of business;

(m) declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Equity Interests of the Companies or any of their respective subsidiaries, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Company or any of their respective subsidiaries, other than (1) any such dividends, distributions or payments payable solely in shares of that class of Equity Interests to the holders of that class, (2) any such dividends, distributions or payments by a subsidiary of a Borrower to a Borrower or from one Borrower to another Borrower, (3) as specified in *Item 5* of the Loan Schedule or (4) to the extent necessary to distribute funds from or through one or more pass-through or disregarded entities to enable one or more relevant taxpayers to make tax payments.

ARTICLE IV

SECURITY INTEREST; COLLATERAL

SECTION 4.1 In order to secure the Obligations, and without prejudice to the security interests and related rights in the Collateral created or expressed to be created for the benefit of the Lender under the other Loan Security Documents, Borrower hereby grants to Lender a first priority security interest (subject to the Intercreditor Agreement) in and to substantially all of the tangible and intangible property of the Borrower, including any and all real property, personal property, intellectual property, cash, cash collateral, securities, including capital stock of any subsidiaries owned by the Borrower, receipts, deposits, inventory, Accounts, licenses and any other property or rights in property owned by the Borrower or in which Borrower has any right or interest, whether now owned or hereafter acquired, whether now perfected or becoming perfected after the date hereof (collectively, the "**Collateral**"). Upon the reasonable request of Lender (after consultation with the Borrowers), the Borrowers shall cause any of their direct or indirect Material Subsidiaries specified by Lender to execute a joinder to this Agreement, in substantially the form of Exhibit B hereto, pursuant to which any such specified Material Subsidiary shall grant a first priority security interest in and to substantially all of the tangible and intangible property of such subsidiary as part of the Collateral and, pursuant to Section 4.3, take such further actions which are in Lender's reasonable judgment (after consultation with the Borrowers) necessary to (i) perfect Lender's security interest in and to the Collateral with first ranking priority (subject to the Intercreditor Agreement) and/or (ii) exercise any rights, powers and remedies of the Lender provided by or pursuant to the Loan Documents in accordance with the terms hereof and thereof, unless any of the foregoing actions would reasonably be likely to result in material adverse tax consequences to a Borrower or any of its subsidiaries (to be mutually determined by Borrower and Lender). After the execution of any such joinder, the term "Collateral" shall be deemed to include such tangible and intangible property. "**Account**" as used in this Agreement means (a) the right of Borrower to payment for goods sold or leased or for services rendered which is not evidenced by an instrument or chattel paper, whether or not earned by performance and (b) "accounts" as such term is defined in UCC (as defined below). "**UCC**" as used in this Agreement means the Uniform Commercial Code as in effect in the applicable jurisdiction from time to time. For the avoidance of doubt, upon the consummation of the Transaction, any and all Collateral securing the Obligations shall automatically be released (with no further action required).

SECTION 4.2 Subject to the Intercreditor Agreement, Borrower shall, at its own cost and expense, defend title to the Collateral and the first priority lien and security interest of the Lender therein against the claim of any person claiming against or through Borrower and shall maintain and preserve such perfected first priority security interest for so long as the Loan Documents shall remain in effect.

SECTION 4.3 Following the Closing Date, Borrower agrees, to (x) execute and deliver the Transaction Documents and the Loan Security Documents required to be executed after the Closing Date within the time periods specified in *Item 11* to the Loan Schedule, and (y) (A) execute any and all further documents, financing statements, agreements and instruments including share certificates, transfer and stock transfer forms or equivalent documents representing the Collateral, duly executed by the relevant persons together with any necessary incumbency certificates, and (B) take all such further actions (including the filing and recording of financing statements and other documents), that in each case may be required or desirable under the Loan Security Documents or under applicable law and that the Lender may reasonably request, which such further actions are in Lender's reasonable judgment (after consultation with Borrower) necessary to (i) perfect Lender's security interest in and to the Collateral with first ranking priority (subject to the Intercreditor Agreement) and/or (ii) exercise any rights, powers and remedies of the Lender provided by or pursuant to the Loan Documents in accordance with the terms hereof and thereof, unless any of the foregoing actions would reasonably be likely to result in material adverse tax consequences to a Borrower or any of its subsidiaries (to be mutually determined by Borrower and Lender). Borrower further agrees to authorize and, if requested by Lender or its designee, (a) deliver in form for filing in the applicable jurisdiction of organization any financing or registration statements on each of the Borrowers covering the Collateral (which may be "all assets" filings), and (b) deliver to Lender a list of all locations of any material tangible Collateral. For the avoidance of doubt, the Lender may grant extensions of time or waivers for the creation and perfection of security interests in or the obtaining of insurance or other deliverables with respect to particular assets where it determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by this Agreement or the Loan Security Documents.

SECTION 4.4 Lender or its designee may at any time and from time to time file financing statements, continuation statements, and amendments thereto (or any equivalent document in any other jurisdiction) covering the Collateral or any portion thereof. Borrower agrees to furnish any information reasonably relating to the Collateral to Lender or its designee promptly upon Lender's reasonable request. To the extent consistent with the terms of this Agreement, any such financing statements, continuation statements, or amendments may be signed by Lender or its designee on behalf of Borrower or may be filed without signature, and may be filed at any time in any appropriate jurisdiction. Borrower hereby further authorizes the Lender to file with the United States Patent and Trademark Office and the United States Copyright Office (and any successor office and any similar office in any state of the United States or in any other country) the Intellectual Property Security Agreement in the form of Exhibit C hereto and other related documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Borrower hereunder, without the signature of the Borrower where permitted by law (it being understood that Borrower shall execute such agreement where required by law).

SECTION 4.5 Borrower shall at any time and from time to time take such steps as Lender or its designee below may reasonably request (subject to Section 4.3) to insure the continued perfection and priority of Lender's security interest in any of the Collateral and of the preservation of its rights therein.

SECTION 4.6 [Reserved]

SECTION 4.7 So long as an Event of Default has occurred and is continuing, Borrower hereby grants to Lender an irrevocable power of attorney coupled with an interest authorizing and permitting Lender or its designee, at its option, with or without notice to Borrower, to do any or all of the following (provided that, notwithstanding anything to the contrary herein or in the other Loan Documents, the Lender may not accelerate the Loan and the other Obligations or exercise any remedies so long as the Purchase Agreement remains in effect and has not been terminated in accordance with its terms): (a) endorse the name of Borrower on any checks or other evidences of payment whatsoever that may come into the possession of Lender or its designee regarding Collateral; (b) receive, open and forward any mail addressed to Borrower and put Lender or its designee's address on any statements mailed to Account Debtors; (c) pay, settle, compromise, prosecute or defend any action, claim, conditional waiver and release, or proceeding relating to Collateral; (d) notify, in the name of Borrower, the U.S. Post Office to change the address for delivery of mail addressed to Borrower to such address as Lender or its designee may designate (*provided* that Lender or its designee shall turn over to Borrower all such mail not relating to Collateral); (e) verify, sign, acknowledge, record, file for recording, serve as required by law, any claim of mechanic's lien, stop notice or bonded stop notice in the sole and absolute discretion of Lender or its designee relating to any Collateral; and (f) do all other things necessary and proper in order to carry out this Agreement and each other Loan Document. So long as an Event of Default has occurred and is continuing, the authority granted to Lender herein is irrevocable until all the Obligations have been paid in full; *provided*, Lender shall have no obligation to exercise any of the rights granted to it hereunder and shall have no liability to Borrower or any third party for failure to do so or take action.

SECTION 4.8 [Reserved]

SECTION 4.9 Except as otherwise provided by law, the Lender shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. Except as otherwise provided by law, the Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Lender accords its own property, it being understood that the Lender shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Lender has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Nothing set forth in this Agreement, nor the exercise by the Lender of any of the rights and remedies hereunder, shall relieve Borrower from the performance of any obligation on Borrower's part to be performed or observed in respect of any of the Collateral.

ARTICLE V

INDEMNIFICATION; LIMITATION OF LIABILITY

SECTION 5.1 Borrower hereby indemnifies and agrees to hold harmless and defend Lender, its successors and assigns and their respective officers, directors, shareholders, employees, attorneys, representatives and Affiliates ("**Indemnified Persons**") from and against all claims, demands, actions, causes of action, judgments, liabilities, damages (including consequential, special or punitive damages, solely to the extent awarded in a final, non-appealable judgment by a court having jurisdiction over the Borrowers), penalties, fines, losses, costs, fees, expenses and disbursements (including, without limitation, reasonable, documented and out-of-pocket fees and expenses of attorneys and other professional consultants and experts in connection with any investigation or defense) of every kind, known or unknown, existing or hereafter arising, foreseeable or unforeseeable, which are imposed upon, threatened or asserted against or incurred or paid by any Indemnified Person at any time and from time to time, because of, resulting from, in connection with or arising out of (a) any breach or alleged breach of a representation or warranty or covenant of Borrower hereunder, or (b) the Loan, the Collateral or the Loan Documents (including but not limited to enforcement of Lender's rights thereunder or the defense of Lender's actions thereunder), excluding with respect to any Indemnified Persons, any of the foregoing directly caused by such Indemnified Person's gross negligence or willful misconduct ("**Indemnified Claims**"). Upon notification and demand, Borrower agrees to provide defense of any Indemnified Claim and to pay all reasonable, documented and out-of-pocket costs and expenses of counsel selected by any Indemnified Person in respect thereof, to the extent Borrower does not otherwise assume the defense of such Indemnified Claim, but only to the extent Borrower has consented in advance to such counsel selected by such Indemnified Person (such consent not to be unreasonably withheld, conditioned or delayed). Borrower shall not settle any Indemnified Claim without the prior written consent of the Lender (which consent may not be unreasonably withheld, conditioned or delayed). Any Indemnified Person against whom any Indemnified Claim may be asserted reserves the right to settle or compromise any such Indemnified Claim as such Indemnified Person may determine in its sole discretion, and the obligations of such Indemnified Person, if any, pursuant to any such settlement or compromise shall be deemed included within the Indemnified Claims. Except as specifically provided in this section, and to the extent permitted by applicable law Borrower waives all notices from any Indemnified Person. The provisions of this Section 5.1 shall survive the termination of this Agreement.

SECTION 5.2 BORROWER AGREES THAT REGARDLESS OF ANY CLAIMS BORROWER MAY HAVE AGAINST LENDER, BORROWER'S SOLE REMEDY WILL BE AN ACTION AT LAW FOR ACTUAL MONEY DAMAGES THAT WILL NOT EXCEED THE LOAN AMOUNT, AND THAT BORROWER WILL NOT BE ENTITLED TO AND HEREBY WAIVES ANY AND ALL CLAIMS FOR, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, LOST PROFITS, STATUTORY, OR SPECIAL DAMAGES OF ANY KIND.

ARTICLE VI

DEFAULT; ACCELERATION; REMEDIES

SECTION 6.1 Events of Default. So long as any amount due hereunder or under the Note remains outstanding and unpaid, the occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) failure by Borrower to pay the principal of or interest on the Note when due; or

(b) default by Borrower in the observance or performance of any of its covenants or agreements contained herein or in the Note or any other Loan Document in any material respect, and such default continues unremedied for ten (10) business days after written receipt by Borrower of such default; or any representation, warranty, or certification in the Note or any other Loan Document, or any amendment or modification hereof or thereof or waiver hereunder or thereunder, proves to have been false or misleading in any material respect on or as of the date made or deemed made; or

(c) if Borrower shall (i) default in the payment of principal or interest on any obligation for borrowed money (other than the Obligations) with an aggregate outstanding principal amount of at least $500,000, or for the deferred purchase price of property, beyond the period of grace, if any, provided with respect thereto or (ii) default in the performance or observance of any other term, condition or agreement contained in any such obligation or in any agreement relating thereto, if the effect thereof is to cause, or permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause such obligation to become due prior to its stated maturity and in each case such default remain unremedied for a period of ten (10) business days after written receipt by Borrower of such default, unless in either case such default is remedied or otherwise consented to by the requisite holders of the applicable item of indebtedness, in either case, prior to the acceleration of the Loan hereunder; or

(d) (i) Borrower shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, or shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower any case, proceeding or other action of a nature referred to in clause (i) above or seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property, which case, proceeding or other action (x) results in the entry of an order for relief or (y) remains undismissed, undischarged or unbonded for a period of 30 consecutive days; or (iii) Borrower shall take any action indicating its consent to, approval of, or acquiescence in, or in furtherance of, any of the acts set forth in its clause (i) or (ii) above; or (iv) Borrower shall admit in writing its inability to pay its debts; or

(e) final judgment for the payment of money in excess of $500,000 (net of amounts covered by insurance policies and amounts covered by third party indemnification obligations) shall be rendered against Borrower and the same shall remain undischarged for a period of 30 consecutive days during which execution of such judgment shall not be effectively stayed; or

(f) the security interest hereunder or under any other Loan Security Document ceases to be enforceable, other than as expressly permitted hereunder or thereunder; or

(g) any Change of Control occurs, other than pursuant to the Transaction Documents; a "**Change of Control**" means (a) any person or group of persons within the meaning of §13(d)(3) of the Securities Exchange Act of 1934 becomes the beneficial owner, directly or indirectly, of 50% or more of the outstanding voting Equity Interests of CAG, or (b) CAG shall cease to own and control, of record and beneficially, at least 50% of each class of voting Equity Interests of each of the Companies.

SECTION 6.2 Acceleration. Upon the occurrence of an Event of Default:

(a) if such Event of Default is specified in Section 6.1(d), then the Loan and the other Obligations of Borrower shall be immediately due and payable with interest and other fees, if any, thereon without notice or demand; and

(b) if such Event of Default is any other such event specified above Lender may declare, by written notice to Borrower, subject to applicable grace periods, the Loan and the other Obligations to be forthwith due and payable, whereupon the principal amount of the Note and the other Obligations, together with accrued interest or fees, if any, thereon shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived to the extent permitted by applicable law, anything contained in this Agreement, the Note or other Loan Documents to the contrary, notwithstanding;

provided that, notwithstanding anything to the contrary herein or in the other Loan Documents, the Lender may not accelerate the Loan and the other Obligations or exercise any remedies so long as the Purchase Agreement remains in effect and has not been terminated in accordance with its terms.

SECTION 6.3 Remedies.

(a) Upon the occurrence of an Event of Default pursuant to Section 6.1, Lender shall have the following rights and remedies, which are cumulative in nature and shall be immediately available to Lender; provided that, notwithstanding anything to the contrary herein or in the other Loan Documents, the Lender may not exercise any such rights and remedies (nor accelerate the Loan and the other Obligations) under this Agreement or any other Loan Document so long as the Purchase Agreement remains in effect and has not been terminated in accordance with its terms:

(1) All rights and remedies provided by law, including but not limited to those provided by the Uniform Commercial Code, especially those provided in Part 5 of Article 9, and equitable remedies for specific performance and injunctive relief;

(2) All rights, remedies, powers and discretions provided in this Agreement; and

(3) All rights, remedies, powers and discretions provided in the Note and other Loan Documents (including the Loan Security Documents).

(b) In furtherance of the foregoing (in each case, without prejudice to rights, remedies, powers and discretions of the Lender under applicable law and/or the terms of the other Loan Security Documents, but subject to the terms and conditions of the Intercreditor Agreement and subject to applicable law):

(1) Lender shall have the right to take possession of the Collateral.

(2) Lender shall have the sole right to exercise voting and other consensual rights with respect to the Collateral consisting of securities and to receive and hold as Collateral dividends and other distributions with respect to the Collateral consisting of securities.

(3) Borrower will cooperate fully with Lender in the exercise of Lender's right to take possession of the Collateral. This shall include, but is not limited to, an obligation to assemble and deliver the Collateral or some portion of the Collateral or some part or component of the Collateral on request of Lender to a place designated by Lender where it shall be made available to Lender.

(4) Lender shall have the right to dispose of the Collateral by public or private proceeding and may do so by way of one or more contracts. Such sale or other disposition of the Collateral may be made as a unit or in parcels and at any time and place and on any terms provided only that the disposition effected is commercially reasonable. Any actions so taken shall be considered commercially reasonable if made in the good faith exercise of Lender's business judgment in the matter.

(5) Lender shall give Borrower notice of the time and place of any public or private sale of the Collateral. It shall be considered commercially reasonable if such notice is sent to Borrower by overnight delivery five (5) business days prior to the public or private sale, *provided*, notice shall also be sent to Lender or its designee by email pursuant to Section 8.1 below.

(6) So long as the sale of the Collateral is made in a commercially reasonable manner, the Lender may sell such Collateral on such terms and to such purchaser(s) as the Lender in its absolute discretion may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind other than that necessary under applicable law. Without precluding any other methods of sale, the sale of the Collateral or any portion thereof shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of creditors disposing of similar property. To the extent permitted by applicable law, Borrower waives all claims, damages and demands it may acquire against the Secured Party arising out of the exercise by it of any rights hereunder. Borrower hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshaling the Collateral and any other security for the Obligations under the Note or otherwise. At any such sale, unless prohibited by applicable law, the Lender may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. The Lender shall not be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing, nor shall it be under any obligation to take any action whatsoever with regard thereto. The Lender shall not be obligated to clean-up or otherwise prepare the Collateral for sale.

(7) The proceeds of any disposition shall be applied as provided in Section 9-504 of the Uniform Commercial Code and shall include any and all reasonable expenses provided in this Agreement and the other Loan Documents, including reasonable, documented and out-of-pocket attorney's fees and expenses to the extent such items are not prohibited by law.

(8) If the Lender shall determine to exercise its rights to sell all or any of the Collateral pursuant to this Section, Borrower agrees that, upon request of the Lender, Borrower will, at its own expense, do or cause to be done all such acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

ARTICLE VII

BORROWER ACKNOWLEDGMENTS

SECTION 7.1 Obligations Absolute and Unconditional; Confession of Judgment. By signing this Agreement, Borrower expressly understands and agrees that the Obligations, including without limitation the repayment of all amounts owed under the Note, are absolute and unconditional and that Lender, at its option, may proceed under the terms of this Agreement or the Note or both. No obligation shall be subject to the application of or deduction for any claim, set-off, disability, defense (whether substantive or procedural) or counterclaim of Borrower; and shall be discharged only by (x) full payment of all amounts owed under the Loan and other amounts that may be payable under this Agreement, including any Costs of Collection (as defined in Section 8.6 below) or (y) the consummation of the Transaction. Borrower further understands and expressly agrees that, to the extent permitted by applicable law, this Agreement shall also serve as a confession of judgment (*cognovit*) that waives all defenses and affirms Lender's right to payment, including Costs of Collection as provided above. Borrower further understands and expressly agrees that this Agreement may be filed as a confession of judgment (*cognovit*) in any tribunal specified in Section 8.9 below if, upon acceleration of the Loan and all other Obligations, all of the Obligations are not paid in full (and the Transaction has not been consummated) to Lender or its assignee as provided herein, time being of the essence.

SECTION 7.2 Consent to Electronic Transactions. By signing this Agreement, Borrower expressly consents to conducting this transaction by electronic means, including without limitation email communications, electronic signatures, the creation of a duly authenticated security interest by electronic signature, and the retention and storage of electronic records.

SECTION 7.3 Borrower Reports. By signing this Agreement, Borrower and expressly consents expressly authorizes Lender to obtain a credit report or background report on the Borrower. Any such report(s) that Lender obtains may include, without limitation, the business' credit history or similar characteristics, public records, and any other information bearing on credit standing, credit capacity or character. Such reports will be used by Lender to determine if it will proceed with the Loan to Borrower. Borrower shall also provide and/or execute such further and additional documents, instruments, and writings as Lender may require in order to access and review any tax information (including tax returns) related to Borrower's business (including, without limitation, by executing a 4506T form with the Internal Revenue Service).

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1 Notices. Any and all notices, requests, demands, consents, approvals or other communications required or permitted to be given under any provision of this Agreement shall be in writing and shall be given in accordance with Section 9.02 of the Purchase Agreement for notices sent to Parent (if the addressee hereunder is the Lender) or to CAG or the Companies, if the addressee hereunder is any Borrower (including with copies to Pillsbury Winthrop Shaw Pittman LLP prescribed therein). Any party may change its address for the purposes of this Agreement by notice to the other party given as aforesaid. Lender may also designate a designee or its assignee to receive notices under this Agreement upon written notice thereof to Borrower.

SECTION 8.2 Joint and Several Obligations. The Borrowers hereby are jointly and severally liable for (i) the Obligations, and (ii) the performance of all obligations under this Agreement, the Note and the other Loan Documents.

SECTION 8.3 No Waiver; Cumulative Remedies; Amendments. No failure to exercise and no delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Note or any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege; nor shall the Lender be required to look first to, enforce or exhaust any other security, collateral or guaranties. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law. No modification, or waiver of any provision of this Agreement or the Note, and no consent to any departure by Borrower from the provisions hereof or thereof, shall be effective unless in writing signed by Borrower and Lender, and the same shall be effective only in the specific instance and for the purpose for which it is given. No notice to Borrower shall entitle Borrower to any other or further notice in other or similar circumstances unless expressly provided for herein. No course of dealing between Borrower and Lender shall operate as a waiver of any of the rights of Lender under this Agreement.

SECTION 8.4 Captions. The captions of the various sections and subsections of this Agreement have been inserted only for the purposes of convenience, and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement.

SECTION 8.5 [Reserved]

SECTION 8.6 Payment of Fees. Borrower agrees to pay all reasonable, documented and out-of-pocket costs and expenses of Lender in enforcing or preserving any of the rights and remedies available to Lender under this Agreement, the Note or the other Loan Documents including, without limitation, reasonable, documented and out-of-pocket legal fees, costs and disbursements of Lender's attorneys in the enforcement thereof (collectively, "**Costs of Collection**").

SECTION 8.7 Survival of Agreements. All agreements, representations and warranties made herein and in any certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement, the Note and the other Loan Documents, and the making of the Loan hereunder, and shall continue in full force and effect until the earlier of (x) all Obligations of Borrower hereunder and under the Note have been paid in full and (y) the consummation of the Transaction.

SECTION 8.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective permitted successors and permitted assigns.

SECTION 8.9 Construction; Jurisdiction; Consent. This Agreement, the Note and other Loan Documents and the rights and obligations of the parties hereunder and thereunder shall be governed by, and construed and interpreted in accordance with, the internal law of the State of New York without regard to the principles of conflicts of law thereof. **BORROWER AND LENDER, IN ANY LITIGATION IN WHICH THE OTHER PARTY SHALL BE AN ADVERSE PARTY, WAIVES TRIAL BY JURY, WAIVES THE RIGHT TO CLAIM THAT A FORUM SPECIFIED HEREIN IS AN INCONVENIENT FORUM AND WAIVES THE RIGHT TO INTERPOSE ANY SETOFF, DEDUCTION OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION AND CONSENTS TO THE JURISDICTION OF THE COURTS (STATE AND FEDERAL) LOCATED IN THE COUNTY AND STATE OF NEW YORK, BOROUGH OF MANHATTAN, AND TO SERVICE OF PROCESS BY REGISTERED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS SET FORTH ABOVE OR SUCH OTHER ADDRESS AS SUCH PARTY SHALL NOTIFY THE OTHER PARTY IN WRITING IS TO BE USED FOR SUCH PURPOSE.** If any of the provisions of this Agreement shall be or become illegal or unenforceable under any law, the other provisions shall remain in full force and effect.

SECTION 8.10 Interest. Anything in the Agreement, the Note or the other Loan Documents to the contrary notwithstanding, Lender shall not charge, take or receive, and Borrower shall not be obligated to pay, interest in excess of the maximum rate from time to time permitted by applicable law. In the event the interest payable on the Note is held by a court of competent jurisdiction in a final non-appealable order to exceed the maximum amount permitted under applicable law, (i) the interest payable on the Note shall be deemed to be the maximum amount permitted under applicable law and (ii) Borrower shall receive a credit for any excess interest amounts so paid.

SECTION 8.11 Currency. All amounts of currency expressed hereunder or under the Note or the other Loan Documents shall refer to United States dollars.

SECTION 8.12 Confidentiality. Except as required by applicable law or the rules and regulations of any securities exchange, including the requirements of the United States securities laws and The Nasdaq Stock Market LLC, without the consent of the other party, (i) neither Borrower nor Lender shall make any public comment, statement or communication with respect to, or otherwise disclose or permit the disclosure of the terms of, this Agreement and the transactions contemplated hereby, and (ii) the Lender shall maintain the confidentiality of all material non-public information that it receives from CAG and the Companies relating to CAG, the Companies and their respective businesses other than any such information received on a non-confidential basis prior to disclosure by CAG or the Companies in accordance with the Confidentiality Agreement (as defined in Section 6.02(b) of the Purchase Agreement).

SECTION 8.13 Intercreditor Agreement**.** Each party hereto agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement.

SECTION 8.14 Australian Goods and Services Tax. All amounts payable or to be provided under this Agreement are exclusive of Australian goods and services tax ("**GST**"). If GST is payable on any supply made under or in connection with this Agreement (not being a supply the consideration for which is specifically described in this Agreement as inclusive of GST), the recipient of the supply must pay to the supplier, an additional amount equal to the GST payable on the supply, provided that the supplier gives the recipient a tax invoice for the supply.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BORROWERS:

CENNTRO AUTOMOTIVE GROUP LIMITED,
a Hong Kong private company limited by shares

By: */s/ Peter Zuguang Wang*
Name: Peter Zuguang Wang
Title: Chief Executive Officer

CENNTRO AUTOMOTIVE CORPORATION,
a Delaware corporation

By: */s/ Peter Zuguang Wang*
Name: Peter Zuguang Wang
Title: Chief Executive Officer

CENNTRO ELECTRIC GROUP, INC.,
a Delaware corporation

By: */s/ Peter Zuguang Wang*
Name: Peter Zuguang Wang
Title: Chief Executive Officer

LENDER:

EXECUTED by **NAKED BRAND GROUP LIMITED** in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

/s/ Justin Davis-Rice	*/s/ Mark Ziirsen*
Signature of Director	Signature of Director / Company Secretary (delete as applicable)
Justin Davis-Rice	Mark Ziirsen
Name of Director (Please print)	Name of Director / Company Secretary (Please print)

Exhibit 10.3

SUPPORT AGREEMENT

This SUPPORT AGREEMENT (this "Agreement"), dated as of November 5, 2021, is entered into by and among Naked Brand Group Limited (ACN 619 054 938), an Australian company ("Parent"), Cenntro Automotive Group Limited, a Cayman Islands company limited by shares ("CAG"), and each undersigned shareholder of CAG (any such shareholder, a "Shareholder" and, together with Parent and CAG, the "Parties" and each a "Party"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Stock Purchase Agreement, dated as of November 5, 2021 (as amended, supplemented or otherwise modified from time to time, the "Stock Purchase Agreement" or the "SPA"), by and among Parent, CAG, and Cenntro Automotive Group Limited, a Hong Kong private company limited by shares and a wholly owned subsidiary of CAG ("CAG HK"), Cenntro Automotive Corporation, a Delaware corporation and a wholly owned subsidiary of CAG ("CAC"), and Cenntro Electric Group, Inc., a Delaware corporation and a wholly owned subsidiary of CAG ("CEG" and, collectively with CAG HK and CAC, the "Companies" and each a "Company").

RECITALS

WHEREAS, as of the date of this Agreement, each Shareholder is the record holder, beneficial owner (as such term is defined in Rule 13d-3 under the Exchange Act, which meaning shall apply for all purposes of this Agreement whenever the term "beneficial" or "beneficially" is used), and has full voting power over ordinary and/or preferred shares of CAG set forth on such Shareholder's signature page hereto (such ordinary and/or preferred shares of CAG and any additional ordinary or preferred shares of CAG that are hereafter held of record or beneficially owned by a Shareholder, collectively, the "CAG Shares");

WHEREAS, Parent, CAG, and the Companies have entered into the Stock Purchase Agreement, pursuant to which CAG will sell (i) all of the issued and outstanding ordinary shares of CAG HK (the "CAG HK Shares"), (ii) all of the issued and outstanding shares of common stock, par value $0.001 per share, of CAC (the "CAC Shares"), and (iii) all of the issued and outstanding shares of common stock, par value $0.01 per share, of CEG (together with the CAG HK Shares and the CAC Shares, the "Company Shares") to Parent in exchange for fully paid ordinary shares of Parent, on the terms and subject to the conditions set forth in the SPA (the "Acquisition");

WHEREAS, Parent desires that each Shareholder agree, and each Shareholder is willing to agree, subject to the limitations herein and during the Applicable Period, (1) not to Transfer (as defined below) any of its CAG Shares, (2) to vote its CAG Shares (or cause its CAG Shares to be voted), or provide or cause to be provided a written consent in lieu thereof, in a manner so as to facilitate consummation of the Acquisition and the other transactions contemplated by the SPA, and (3) to undertake certain additional obligations pursuant to this Agreement; and

WHEREAS, Parent, CAG, and each Shareholder desire to make certain representations, warranties, covenants and agreements in connection with this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements set forth in this Agreement, the Parties agree as follows:

ARTICLE 1
VOTING AND TRANSFER OF CAG SHARES

1.1 Voting.

(a)The Shareholder irrevocably and unconditionally agrees, during the period beginning on the date of this Agreement and ending on the Expiration Date (the "Applicable Period"), at each meeting of CAG shareholders (a "Meeting") and at each adjournment or postponement thereof, and in connection with each action or approval by consent in writing of CAG shareholders (a "Consent Solicitation"), which written consent shall be delivered promptly, and in any event within twenty four (24) hours, after CAG requests such delivery, to cause to be present in person or represented by proxy and to vote or cause to be voted (or express consent or dissent in writing, as applicable) the CAG Shares set forth on the Shareholder's signature page hereto and any additional CAG Shares that are hereafter held of record or beneficially owned by the Shareholder that are entitled to vote (or express consent or dissent in writing, as applicable), in each case as follows:

(i) in favor (including by executing and delivering, and not revoking or attempting or purporting to revoke, any written consents) of any proposal for CAG shareholders to approve the SPA, the Acquisition, and any other matters relating to CAG necessary for consummation of the transactions contemplated by the SPA (the "Matters");

(ii) in favor of any proposal to adjourn a Meeting at which there is a proposal for CAG shareholders to approve any Matter to a later date if there are not sufficient votes to approve the Matter or if there are not sufficient CAG Shares present in person or represented by proxy at such Meeting to constitute a quorum;

(iii) against any proposal, offer or submission with respect to a CAG Competing Proposal or the adoption of any agreement to enter into a CAG Competing Proposal;

(iv) against any proposal for any amendment or modification of CAG's Charter Documents that would change the voting rights of any CAG Shares or the number of votes required to approve any proposal, including the vote required to adopt the Matters; and

(v) against any action, transaction, agreement or proposal that would, or would reasonably be expected to (A) result in a breach of any representation, warranty, covenant or any other obligation or agreement of CAG and/or any of the Companies under the SPA or any agreement ancillary thereto or the Shareholder under this Agreement or any of the conditions to the consummation of the Acquisition under the SPA not being fulfilled on a timely basis, (B) prevent, delay or impair consummation of the Acquisition or dilute, in any material respect, the benefit of the Acquisition to Parent, or (C) facilitate any proposal, offer or submission with respect to a CAG Competing Proposal or any agreement to enter into a CAG Competing Proposal.

(b) Any vote required to be cast or consent or dissent in writing required to be expressed pursuant to this Section 1.1 shall be cast or expressed in accordance with the applicable procedures relating thereto so as to ensure that it is duly counted for purposes of determining that a quorum is present (if applicable) and for purposes of recording the results of that vote or Consent Solicitation. For the avoidance of doubt, nothing contained herein requires the Shareholder (or entitles any proxy of the Shareholder) to convert, exercise or exchange any options, warrants or convertible securities in order to obtain any underlying CAG Shares.

(c) During the Applicable Period, the Shareholder agrees not to enter into any commitment, agreement, understanding or similar arrangement with any Person to vote or give voting instructions or express consent or dissent in writing in any manner inconsistent with the terms of this Section 1.1.

1.2 No Transfers. During the Applicable Period, the Shareholder agrees not to, directly or indirectly, in one or more transactions, whether by merger, consolidation, division, operation of law, or otherwise (including by succession or otherwise by operation of applicable Legal Requirements): (a) sell, convey, assign, transfer, exchange, pledge, hypothecate or otherwise encumber or dispose of any CAG Shares (or any right, title or interest therein) or any rights to acquire any securities or equity interests of CAG; (b) deposit any CAG Shares or any rights to acquire any securities or equity interests of CAG into a voting trust or enter into a voting agreement or any other arrangement with respect to any CAG Shares or any rights to acquire any securities or equity interests of CAG or grant or purport to grant any proxy or power of attorney with respect thereto that is inconsistent with this Agreement; (c) enter into any contract, option, call or other arrangement or undertaking, whether or not in writing, with respect to the direct or indirect sale, conveyance, assignment, transfer, exchange, pledge, hypothecation or other encumbrance or disposition, or limitation on the voting rights, of any CAG Shares (or any right, title or interest therein) or any rights to acquire any securities or equity interests of CAG; (d) otherwise grant, permit or suffer the creation of any Lien on any CAG Shares, other than Permitted Liens; or (e) approve or commit or agree to take any of the foregoing actions (any action described in the immediately preceding sentence, a "Transfer"); provided, however, that the foregoing shall not prohibit Transfers (i) between the Shareholder and any Affiliate of the Shareholder, (ii) if the Shareholder is an individual, to a trust for the benefit of the Shareholder or to any member of a Shareholder's immediate family or a trust for the benefit of such immediate family member or (iii) if the Shareholder is an individual, by will, other testamentary document or under the laws of intestacy upon the death of Shareholder, in each case, so long as, prior to and as a condition to the effectiveness of any such Transfer, such Affiliate or transferee executes and delivers to Parent a joinder to this Agreement in the form attached hereto as Annex A. Any Transfer or action in violation of this Section 1.2 shall be void *ab initio*. If any involuntary Transfer of any of CAG Shares occurs, the transferee (and all transferees and subsequent transferees of such transferee) shall take and hold such CAG Shares subject to all of the restrictions, liabilities and rights under this Agreement, which shall continue in full force and effect during the Applicable Period.

1.3 Stop Transfer. The Shareholder shall not request that CAG register any transfer of any certificate or book-entry of CAG Shares or other uncertificated interest representing any CAG Shares made in violation of the restrictions set forth in Section 1.2 during the Applicable Period and hereby authorizes and instructs CAG to instruct its transfer agent, if any, to enter a stop transfer order with respect to all of the CAG Shares, subject to the provisions hereof; provided that any such stop transfer order will immediately be withdrawn and terminated by CAG following the termination of this Agreement.

1.4 Public Announcements; Filings; Disclosures.

(a) The Shareholder (and the Shareholder's controlled Affiliates) shall not issue any press release or make any other public announcement or public statement (a "Public Communication") with respect to this Agreement, the SPA, or the transactions contemplated hereby or thereby, without the prior written consent of Parent and CAG (such consent not to be unreasonably withheld, conditioned or delayed), except as required by applicable Legal Requirements, in which case the Shareholder shall use its reasonable best efforts to provide Parent and CAG and their respective legal counsel with a reasonable opportunity to review and comment on such Public Communication in advance of its issuance and shall give reasonable and good faith consideration to any such comments, or as contemplated by the Transaction.

(b) The Shareholder hereby consents to and authorizes CAG and Parent to publish and disclose in any Public Communication or in any disclosure required by the SEC and in the Registration Statement and Notice of Meeting prepared by Parent and filed with the SEC and ASIC relating to the Extraordinary General Meeting the Shareholder's identity and ownership of CAG Shares and the Shareholder's obligations under this Agreement (the "Shareholder Information"), consents to the filing of this Agreement, to the extent required by applicable Legal Requirements to be filed with the SEC or any regulatory authority relating to the Acquisition, and agrees to cooperate with Parent in connection with such filings, including providing Shareholder Information reasonably requested by Parent.

1.5 Non-Solicitation. The Shareholder acknowledges that the Shareholder has read Section 6.05 of the SPA. In addition, the Shareholder agrees that the restrictions imposed on CAG and the Companies pursuant to Section 6.05 of the SPA shall, during the Applicable Period, be binding upon the Shareholder *mutatis mutandis* and further agrees not to take (and agrees to cause its controlled Affiliates and its and their Representatives not to take), directly or indirectly, any action that would violate Section 6.05 of the SPA if such action were taken by CAG or any of the Companies.

1.6 No Agreement as Director or Officer. The Shareholder is entering into this Agreement solely in the Shareholder's capacity as record or beneficial owner of CAG Shares and nothing herein is intended to or shall limit or affect any actions taken by the Shareholder or any employee, officer, director (or person performing similar functions), partner or other Affiliate (including, for this purpose, any appointee or representative of the Shareholder to the board of directors of CAG or of the Companies) of the Shareholder in his or her capacity as a manager or officer of CAG or any of the Companies (or a Subsidiary of CAG or any of the Companies) or other fiduciary capacity for CAG shareholders.

1.7 Acquisition of Additional CAG Shares. In the event that, during the Applicable Period, (a) any CAG Shares are issued to the Shareholder, (b) the Shareholder purchases or otherwise acquires beneficial ownership of any CAG Shares or (c) the Shareholder acquires the right to vote or share in the voting of any CAG Shares (collectively the "New Securities"), then such New Securities acquired or purchased by such Shareholder shall be subject to the terms of this Agreement to the same extent as if they constituted the CAG Shares owned by the Shareholder as of the date hereof.

1.8 No Litigation. The Shareholder hereby agrees not to commence, maintain or participate in, or facilitate, assist or encourage, and agrees to take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, suit, proceeding or cause of action, in law or in equity, in any court or before any Governmental Authority (a) challenging the validity of, or seeking to enjoin or delay the operation of, any provision of this Agreement or the SPA or the transactions contemplated hereby or thereby (including any claim seeking to enjoin or delay the consummation of the Acquisition), (b) alleging a breach of any fiduciary duty of any Person or alleging that any Person aided or abetted any breach of any fiduciary duty of any Person in connection with this Agreement or the SPA or the transactions contemplated thereby or thereby, or (c) otherwise relating to the SPA, this Agreement or the Acquisition or other transactions contemplated hereby or thereby. Notwithstanding the foregoing, nothing herein shall be deemed to prohibit the Shareholder from enforcing the Shareholder's rights under this Agreement or the Shareholder's right to receive its portion of the Acquisition Shares pursuant to the SPA and the Distribution.

1.9 Further Assurances. The Shareholder shall execute and deliver, or cause to be executed and delivered, such further certificates, instruments and other documents and to take such further actions as Parent or CAG may reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement and the SPA.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER

The Shareholder hereby represents and warrants to Parent and CAG as follows:

2.1 Organization; Authorization. In the event the Shareholder is an individual, the Shareholder has full power, right and legal capacity to execute and deliver this Agreement and to perform his or her obligations hereunder. In the event the Shareholder is a legal entity, (a) the Shareholder is an entity duly organized, validly existing and, to the extent such concept is recognized, in good standing under the applicable Legal Requirements of the Shareholder's jurisdiction of its organization, (b) the Shareholder has all requisite corporate, limited liability company or similar power and authority and has taken all action necessary in order to execute and deliver this Agreement, to perform the Shareholder's obligations under this Agreement and consummate the transactions contemplated by this Agreement, and (c) no approval by any holder of the Shareholder's equity interests is necessary to approve this Agreement that has not been received as of the date hereof. This Agreement has been duly authorized, executed and delivered by the Shareholder and, in the event the Shareholder is an individual and is married and any of the Shareholder's CAG Shares constitute community property or spousal approval is otherwise required in order for this Agreement to be a valid and binding obligation of the Shareholder, this Agreement has been duly authorized, executed and delivered by or on behalf of the Shareholder's spouse, and this Agreement constitutes a valid and binding agreement of the Shareholder enforceable against the Shareholder in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

2.2 Governmental Filings; No Violations; Certain Contracts. The execution, delivery and performance by the Shareholder of this Agreement and the consummation by the Shareholder of the transactions contemplated hereby do not and will not (a) conflict with or violate any United States or non-United States statute, law, ordinance, regulation, rule, code, executive order, injunction, judgment, decree or other order applicable to the Shareholder, (b) require any consent, approval or authorization of, declaration, filing or registration with, or notice to, any person or entity, (c) result in the creation of any encumbrance on any CAG Shares (other than under this Agreement) or (d) conflict with or result in a breach of or constitute a default under any provision of the Shareholder's governing documents or any agreement (including any voting agreement) to which the Shareholder is a party.

2.3 Litigation. As of the date of this Agreement, except as would not, individually or in the aggregate, reasonably be expected to prevent, delay or impair the ability of the Shareholder to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement (a) there is no action, suit, demand, complaint, litigation, review, audit, hearing, arbitration, proceeding, investigation or similar dispute by or before any Governmental Authority or otherwise pending or, to the knowledge of the Shareholder, threatened against the Shareholder or any of its Affiliates, and (b) neither the Shareholder nor any of its Affiliates is a party to or subject to the provisions of any judgment, order, writ, injunction, decree or award of any Governmental Authority.

2.4 Ownership of CAG Shares; Voting Power. The Shareholder's signature page hereto correctly sets forth the Shareholder's CAG Shares as of the date of this Agreement and, other than such CAG Shares, as of the date of this Agreement, there are no securities of CAG (or any securities convertible, exercisable or exchangeable for, or rights to purchase or acquire, any securities of CAG) held of record or beneficially owned by the Shareholder or in respect of which the Shareholder has voting power. The Shareholder has not made any Transfer of CAG Shares and the Shareholder is the record holder and beneficial owner of all of its CAG Shares and has, and shall have throughout the Applicable Period, good and valid title to the CAG Shares and full voting power and power of disposition with respect to all such CAG Shares, free and clear of any Liens, except for any such Lien that (a) may be imposed pursuant to (i) this Agreement, the SPA and the transactions contemplated hereby and thereby, (ii) any applicable restrictions on transfer under applicable Legal Requirements (including securities laws) or (iii) CAG's Charter Documents or the terms of any customary custody or similar agreement applicable to CAG Shares held in brokerage accounts, or (b) would not, individually or in the aggregate, reasonably be expected to prevent, delay or impair the ability of the Shareholder perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement. No Person has any contractual or other right or obligation to purchase or otherwise acquire any of the Shareholder's CAG Shares other than pursuant to the SPA or as set forth in CAG's Charter Documents.

2.5 Reliance. The Shareholder understands and acknowledges that Parent is relying upon the Shareholder's execution, delivery and performance of this Agreement and upon the representations and warranties and covenants of the Shareholder contained in this Agreement.

2.6 Finder's Fees. Except as set forth in Schedule 3.26 to the SPA, no agent, broker, investment banker, finder or other intermediary is or shall be entitled to any fee or commission or reimbursement of expenses from Parent, CAG, the Companies, or any of their respective Affiliates, in respect of this Agreement based upon any arrangement or agreement made by or on behalf of the Shareholder.

2.7 Registration Statement/Notice of Meeting. None of the information supplied in writing or to be supplied by the Shareholder specifically for inclusion or incorporation by reference in the Registration Statement, Notice of Meeting or any amendment or supplement thereto will, at the date of mailing of the Prospectus to the holders of CAG capital stock or at the time of the CAG Shareholder Meeting, or at the date of mailing of the Notice of Meeting to the Parent shareholders or at the time of the Extraordinary General Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.8 Other Agreements. The Shareholder has not taken or permitted any action that would or would reasonably be expected to (a) constitute or result in a breach hereof, (b) make any representation or warranty of the Shareholder set forth herein untrue or inaccurate or (c) otherwise restrict, limit or interfere with the performance of this Agreement, the SPA or the transactions contemplated by this Agreement or the SPA.

2.9 Adequate Information. The Shareholder acknowledges that the Shareholder is a sophisticated investor with respect to the Shareholder's CAG Shares and has adequate information concerning the business and financial condition of CAG and Parent to make an informed decision regarding the transactions contemplated by this Agreement and has, independently and without reliance upon Parent, CAG, any of the Companies, or any Affiliate of Parent, CAG, or any of the Companies, and based on such information as the Shareholder has deemed appropriate, made the Shareholder's own analysis and decision to enter into this Agreement. The Shareholder acknowledges that the Shareholder has received and reviewed this Agreement and the SPA and has had the opportunity to seek independent legal advice prior to executing this Agreement.

2.10 No Other Representations or Warranties. Except for the representations and warranties made by the Shareholder in this Article 2, neither the Shareholder nor any other Person makes any express or implied representation or warranty to Parent in connection with this Agreement or the transactions contemplated by this Agreement, and the Shareholder expressly disclaims any such other representations or warranties.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF PARENT AND CAG

Each of Parent and CAG represents and warrants to the Shareholder as follows:

3.1 Organization. Such Party is a legal entity duly organized or incorporated, as applicable, validly existing and, to the extent such concept is recognized, in good standing under the laws under which it was incorporated.

3.2 Corporate Authority. Such Party has all requisite corporate power and authority and has taken all action necessary in order to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by such Party and constitutes a valid and binding agreement of such Party enforceable against such Party in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

3.3 No Other Representations or Warranties. Except for the representations and warranties made by Parent and CAG in this Article 3, neither such Party nor any other Person makes any express or implied representation or warranty to the Shareholder in connection with this Agreement or the transactions contemplated by this Agreement, and the Shareholder expressly disclaims reliance upon, and the Shareholder acknowledges and agrees that such Party expressly disclaims, any such other representations or warranties.

ARTICLE 4
GENERAL PROVISIONS

4.1 Termination. This Agreement, including the voting agreements contemplated by this Agreement, shall automatically terminate at the earliest to occur of: (a) immediately prior to the Closing; (b) the termination of the SPA pursuant to Article VIII thereof; or (c) the effective date of a written agreement duly executed and delivered by Parent, CAG and the Shareholder terminating this Agreement **(**the date and time at which the earliest of clause (a), (b), and (c) occurs being, the "Expiration Date"); provided, however, that, in the case of any termination pursuant to clause (a), Section 1.4 (*Public Announcements; Filings; Disclosure*), Section 1.8 (*No Litigation*) and Section 1.9 (*Further Assurances*) and this Article 4 shall survive such termination. Nothing set forth in this Section 4.1 or elsewhere in this Agreement shall relieve any Party of any liability or damages to any other Party for any intentional and willful breach of this Agreement by such Party prior to such termination or actual and intentional fraud in connection with, arising out of or otherwise related to the representations and warranties set forth in this Agreement or any instrument or other document delivered pursuant to this Agreement.

4.2 Notices. All notices and other communications between the Parties shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) when delivered after posting in the United States mail having been sent registered or certified mail return receipt requested, postage prepaid, (c) when delivered by FedEx or other nationally recognized overnight delivery service or (d) when e-mailed during normal business hours (and otherwise as of the immediately following Business Day), addressed as follows:

If to Parent:

Naked Brand Group Limited
Level 61, MLC Centre
25 Martin Place
Sydney, NSW 2000
Australia
Attention:Justin Davis-Rice
E-mail: justin.davis@nakedbrands.com

With copies to:

Graubard Miller
The Chrysler Building
405 Lexington Avenue, 11th Floor
New York, New York 10174
Attention: Jeffrey M. Gallant / Eric T. Schwartz
E-mail: jgallant@graubard.com / eschwartz@graubard.com

If to CAG or any of the Companies:

Cenntro Automotive Group Limited
c/o Cenntro Electric Group, Inc.
501 Okerson Road
Freehold, New Jersey 07728
Attention:Peter Z. Wang
Email:peterw@cenntromotors.com

with copies to (which shall not constitute notice):

Pillsbury Winthrop Shaw Pittman LLP

31 West 52nd Street
New York, New York 10019
Attention: Jonathan J. Russo / Ted Powers III
Email: jonathan.russo@pillsburylaw.com / ted.powers@pillsbury.com

If to the Shareholder, to the Shareholder's address set forth on a signature page hereto.

4.3 Expenses. Except as otherwise provided herein or in the SPA, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Acquisition is consummated.

4.4 Counterparts; Electronic Delivery. This Agreement, and the consummation thereof, may be executed in counterparts, all of which shall be considered one and the same document and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart. Delivery by electronic transmission to counsel for the other Party of a counterpart executed by a Party shall be deemed to meet the requirements of the previous sentence.

4.5 Entire Agreement; Third Party Beneficiaries. This Agreement and the documents and instruments and other agreements between the Parties as contemplated by or referred to herein, including the annexes hereto (a) constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the Parties and any of their respective Affiliates with respect to the transactions contemplated hereby; and (b) are not intended to confer upon any other person any rights or remedies hereunder (except as specifically provided in this Agreement). No representations, warranties, covenants, understandings or agreements, oral or otherwise, relating to the transactions contemplated by this Agreement exist between the Parties, except as expressly set forth or referenced in this Agreement and the SPA.

4.6 Severability. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. The Parties further agree to modify this Agreement to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business, and other purposes of such void or unenforceable provision.

4.7 Other Remedies; Specific Performance. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party agrees that it will not oppose the granting of specific performance and other equitable relief on the basis that the other Party has an adequate remedy at law or that an award of specific performance is not an appropriate remedy for any reason at law or equity. The Parties acknowledge and agree that any Party seeking an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section shall not be required to provide any bond or other security in connection with any such injunction.

4.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal law of the State of Delaware, regardless of the law that might otherwise govern under applicable principles of conflicts of law thereof.

4.9 Consent to Jurisdiction; WAIVER OF TRIAL BY JURY. Each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the Delaware Chancery Court (or, if the Delaware Chancery Court shall be unavailable, any other court in the State of Delaware or, in the case of claims to which the federal courts have exclusive subject matter jurisdiction, any federal courts of the United States of America sitting in the State of Delaware) in connection with any matter based upon or arising out of this Agreement or the transactions contemplated hereby, agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction, venue and manner of service of process. Each Party hereby agrees not to commence any legal proceedings relating to or arising out of this Agreement or the transactions contemplated hereby in any jurisdiction or courts other than as provided herein. Without limiting the foregoing, each Party agrees that service of process on such Party in accordance with Section 4.2 shall be deemed effective service of process on such Party and each Party waives any further argument that such service is insufficient. Each of the Parties (a) certifies that no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other Parties have been induced to enter into this Agreement and the transactions contemplated hereby, as applicable, by, among other things, the mutual waivers and certifications in this Section. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION BASED UPON, ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

4.10 Assignment. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties. Subject to the first sentence of this Section, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

4.11 Amendment. This Agreement may be amended by the Parties at any time only by execution of an instrument in writing signed on behalf of each of the Parties.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

EXECUTED by **NAKED BRAND GROUP LIMITED**
ACN 619 054 938 in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

Signature of Director	Signature of Director / Company Secretary (delete as applicable)
Name of Director (Please print)	Name of Director / Company Secretary (Please print)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

CENNTRO AUTOMOTIVE GROUP LIMITED, a Cayman Islands company limited by shares

By: _____
Name:
Title:

[*Signature Page to Support Agreement*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

SHAREHOLDER

If individual:

_____
Signature of Shareholder

_____
Printed Name of Shareholder

_____ _____
Signature of Shareholder's Spouse (if applicable) Printed Name of Shareholder's Spouse (if applicable)

If entity:

Printed Name of Entity

By: _____
Name: _____
Title: _____

Address of Shareholder:

Series	**CAG Shares Owned Beneficially**	**CAG Shares Held of Record**	**CAG Shares Over Which the Shareholder has Full Voting Power**

Note: Please indicate class, series and subseries of CAG Shares, as applicable.

ANNEX A

FORM OF JOINDER

This Joinder Agreement (this "Joinder Agreement") is made as of the date written below by the undersigned (the "Joining Party") in accordance with the Support Agreement, dated as of [●], 2021 (as amended, supplemented or otherwise modified from time to time, the "Support Agreement"), by and between Parent, CAG, and the CAG shareholders party thereto. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Support Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the Joining Party shall be deemed to be a party to, and a "Shareholder" under, the Support Agreement as of the date hereof and shall have all of the rights and obligations of a Shareholder as if it had executed the Support Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Support Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed this Joinder Agreement as of the date written below.

Date: [●], 20[●]

By: _____
Name:
Title:

Address for Notices:

With copies to:

Exhibit 10.4

FORM OF LOCK-UP AGREEMENT

This LOCK-UP AGREEMENT (this "***Agreement***") is made as of [•], 2021 by and among Naked Brand Group Limited (ACN 619 054 938), an Australian company (the "***Parent***"), and each other Person identified on Schedule A attached hereto (the "***Schedule of Holders***").

RECITALS

WHEREAS, the Parent is party to that certain Stock Purchase Agreement, dated as of November 5, 2021 (the "***Stock Purchase Agreement***" or the "***SPA***"), by and among the Parent, Cenntro Automotive Group Limited, a Cayman Islands company limited by shares ("***CAG***"), Cenntro Automotive Group Limited, a Hong Kong private company limited by shares and a wholly owned subsidiary of CAG ("***CAG HK***"), Cenntro Automotive Corporation, a Delaware corporation and a wholly owned subsidiary of CAG ("***CAC***"), and Cenntro Electric Group, Inc., a Delaware corporation and a wholly owned subsidiary of CAG ("***CEG***"), pursuant to which CAG will sell (i) all of the issued and outstanding ordinary shares of CAG HK (the "***CAG HK Shares***"), (ii) all of the issued and outstanding shares of common stock, par value $0.001 per share, of CAC (the "***CAC Shares***"), and (iii) all of the issued and outstanding shares of common stock, par value $0.01 per share, of CEG (together with the CAG HK Shares and the CAC Shares, the "***Company Shares***") to Parent in exchange for fully paid ordinary shares of Parent (the "***Shares***"), on the terms and subject to the conditions set forth in the SPA (the "***Acquisition***"); and

WHEREAS, in connection with the Acquisition and the other transactions contemplated by the SPA, the Holders have agreed to certain transfer restrictions on the Shares on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1.Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1:

"***Affiliate***" of any Person means any other Person directly or indirectly controlled by, controlling or under common control with such Person; *provided* that the Parent and its Subsidiaries shall be deemed not to be Affiliates of any Holder. As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by" and "under common control with") as applied to any Person shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies of such Person (whether through ownership of securities, by contract or otherwise).

"***Agreement***" has the meaning set forth in the preamble.

"***Acquisition***" has the meaning set forth in the recitals.

"***CAC***" has the meaning set forth in the recitals.

"***CAC Shares***" has the meaning set forth in the recitals.

"***CAG***" has the meaning set forth in the recitals.

"***CAG HK***" has the meaning set forth in the recitals.

"***CAG HK Shares***" has the meaning set forth in the recitals.

"***CEG***" has the meaning set forth in the recitals.

"***Capital Stock***" means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock of such corporation (whether voting or nonvoting and whether common or preferred), (ii) with respect to any Person that is not a corporation, individual or governmental entity, any and all partnership, membership, limited liability company or other equity interests of such Person that confer on the holder thereof the right to receive a share of the profits and losses of, or the distribution of assets of, the issuing Person, and (iii) any and all warrants, rights (including conversion and exchange rights) and options to purchase any security described in the clause (i) or (ii) above.

"***Code***" means the U.S. Internal Revenue Code of 1986, as amended.

"***Company Shares***" has the meaning set forth in the recitals.

"***Holder***" means any Person who is a holder of Shares.

"***Lock-Up Shares***" has the meaning set forth in Section 2(a).

"***Lock-Up Term***" has the meaning set forth in Section 2(a).

"***Acquisition***" has the meaning set forth in the recitals.

"***Parent***" has the meaning set forth in the preamble.

"***Permitted Transferee***" means, with respect to any Person, (i) the direct or indirect partners, members, equity holders or other Affiliates of such Person, (ii) any of such Person's related investment funds or vehicles controlled or managed by such Person or Affiliate of such Person, (iii) any of such Person's or its Affiliates' officers or directors, or Affiliates or family members of the Person's officers or directors, (iv) in the case of an individual, such Person's immediate family or a trust, the beneficiary of which is a member of such Person's immediate family, an Affiliate of such Person or a charitable organization, in each case; *provided* that the transfer is a gift; (v) in the case of an individual, a Person who would receive the Shares by virtue of laws of descent and distribution upon death of such Person; or (vi) in the case of an individual, a Person who would receive the Shares pursuant to a qualified domestic relations order.

"***Person***" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"***Regulations***" means the U.S. Treasury Regulations promulgated under the Code.

"***Schedule of Holders***" has the meaning set forth in the preamble.

"***Shares***" has the meaning set forth in the recitals.

"***SPA***" has the meaning set forth in the recitals.

"***Stock Purchase Agreement***" has the meaning set forth in the recitals.

"***Subsidiary***" means, with respect to the Parent, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of Capital Stock of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of directors or managers is at the time owned or controlled, directly or indirectly, by the Parent, or (ii) if a limited liability company, partnership, association or other business entity, either (x) a majority of the Capital Stock of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or other oversight board vested with the authority to direct management of such Person is at the time owned or controlled, directly or indirectly, by the Parent or (y) the Parent or one of its Subsidiaries is the sole manager or general partner of such Person.

"***Transfer***" means to, directly or indirectly, whether in one transaction or a series of transactions and whether by merger, consolidation, division, operation of law, or otherwise, (i) sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any interest owned by a Person or any interest (including a beneficial interest) in, or the ownership, control or possession of, any interest owned by a Person, (ii) enter into any swap, hedging, short sale, or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of Shares or securities convertible into or exercisable or exchangeable for Shares, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise or (iii) publicly announce any intention to effect any transaction specified in clause (i) or (ii).

2. Lock-Up.

(a) Each Holder signatory to this Agreement hereby agrees that it will not Transfer any Shares or interest therein beneficially owned or owned of record by such Holder (collectively, such Holder's "***Lock-Up Shares***") until the earliest to occur of the following (the "***Lock-Up Term***"): (i) one hundred eighty (180) days after the consummation of the Acquisition; and (ii) the date following the consummation of the Acquisition on which the Parent consummates a liquidation, merger, stock exchange or other similar transaction that results in shareholders representing a majority of the Shares having the right to exchange such shareholders' Shares for (or having their Shares converted into) cash, securities or other property (or the right to receive any of the foregoing), other than any holding company reorganization or a transaction that is intended solely to effect a redomestication.

(b) Notwithstanding the foregoing restrictions on Transfer set forth in Section 2(a), each Holder may:

(i) Transfer its Lock-Up Shares to any Permitted Transferee;

(ii) Transfer any Shares or other securities convertible into or exercisable or exchangeable for Shares acquired in open market transactions after the effective time of the Acquisition; *provided*, *however*, that no such transaction is required to be, or is, publicly announced (whether on Form 4, Form 5 or otherwise, other than a required filing on Schedule 13F, 13 D, 13D/A, 13G or 13G/A) during the Lock-Up Term;

(iii) exercise any options or warrants to purchase Shares (which exercises may be effected on a cashless basis, to the extent the instruments representing such options or warrants permit exercises on a cashless basis); *provided*, *however*, that such Holder shall otherwise comply with any restrictions on Transfer applicable to such underlying Shares;

(iv) Transfer any Shares issuable upon exercise of any options that expire during the Lock-Up Term to the Parent to satisfy tax withholding obligations as permitted by the compensation committee of the board of directors of the Parent in its discretion pursuant to the Parent's equity incentive plans or arrangements; and

(v) Transfer its Lock-Up Shares in transactions approved by the board of directors of the Parent in its discretion to satisfy any national, federal, state, or local income tax obligations of such Holder (or its direct or indirect owners) arising from a change in the Code, or the Regulations after the date on which the SPA was executed by the parties thereto, and such change prevents the Acquisition, taken together, from qualifying as a "reorganization" pursuant to Section 368 of the Code (and the Acquisition does not qualify for similar tax-free treatment pursuant to any successor or other provision of the Code or Regulations taking into account such changes);

provided, *however*, that, in the case of any Transfer or distribution pursuant to Subsection 2(b)(i), (x) in each case, such Permitted Transferees must enter into a written agreement agreeing to be bound by this Agreement, including the restrictions on Transfer set forth in Section 2(a), and (y) any such Permitted Transferee, as defined in clause (ii) of the definition of Permitted Transferee agrees to promptly Transfer such Lock-Up Shares back to such Holder if such Permitted Transferee ceases to be a Permitted Transferee for any reason prior to the date such Lock-Up Shares become freely transferable. Furthermore, Section 2(a) shall not apply to the entry, by such Holder, at any time after the effective time of the Acquisition, of any trading plan providing for the sale of Shares by such Holder, which trading plan meets the requirements of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as it may be amended from time to time; *provided*, *however*, that such plan does not provide for, or permit, the sale of any Shares during the Lock-Up Term and no public announcement or filing is voluntarily made or required regarding such plan during the Lock-Up Term.

(c) Each of the Holders acknowledges and agrees that any purported Transfer of Lock-Up Shares in violation of this Agreement shall be null and void *ab initio*, and the Parent shall not be required to register any such purported Transfer.

(d) Each of the Holders agrees and consents to the entry of stop transfer instructions with the Parent's transfer agent and registrar against the Transfer of the Shares, except in compliance with the foregoing restrictions and to the addition of a legend to such Holder's Shares describing the foregoing restrictions.

3. General Provisions.

(a) Amendments and Waivers. The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Parent and Holders representing a majority of the Lock-Up Shares; *provided* that (i) no such amendment, modification or waiver that would adversely affect a Holder in a manner that is different from any other Holder shall be effective against such Holder without the prior written consent of such Holder and (ii) if any amendment, modification, waiver or release of this Agreement provides any Holder with rights superior to the rights provided to other Holders, such amendment, modification or waiver shall provide such rights to all Holders of Lock-Up Shares. The failure or delay of any Person to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such Person thereafter to enforce each and every provision of this Agreement in accordance with its terms. A waiver or consent to or of any breach or default by any Person in the performance by that Person of his, her or its obligations under this Agreement shall not be deemed to be a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person under this Agreement.

(b) Remedies. The parties to this Agreement and their successors and assigns shall be entitled to enforce their rights under this Agreement specifically (without posting a bond or other security), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto and their successors and assigns agree and acknowledge that a breach of this Agreement would cause irreparable harm and money damages would not be an adequate remedy for any such breach and that, in addition to any other rights and remedies existing hereunder, any party shall be entitled to seek specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited, invalid, illegal or unenforceable in any respect under any applicable law or regulation in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such prohibited, invalid, illegal or unenforceable provision had never been contained herein.

(d) Entire Agreement. Except as otherwise provided herein, this Agreement contains the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

(e) Successors and Assigns. This Agreement shall bind and inure to the benefit and be enforceable by the Parent and its successors and assigns and the Holders and their respective successors and assigns (whether so expressed or not). In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit Holders are also for the benefit of, and enforceable by, any subsequent or successor Holder.

(f) Notices. Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given or delivered (i) when delivered personally to the recipient, (ii) when sent by confirmed electronic mail if sent during normal business hours of the recipient but, if not, then on the next Business Day, (iii) one Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) three Business Days after it is mailed to the recipient by first class mail, return receipt requested. Such notices, demands and other communications shall be sent to the Parent at the address specified below and to any other party subject to this Agreement at such address as indicated on the Schedule of Holders, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party or as is on file for such Person at the Parent. Any party may change such party's address for receipt of notice by providing prior written notice of the change to the sending party as provided herein.

The Parent's address is:

Naked Brand Group Limited
Level 61, MLC Centre
25 Martin Place
Sydney, NSW 2000
Australia
Attention:Justin Davis-Rice, Executive Chairman / Mark Ziirsen, CFO
E-mail: justin.davis@nakedbrands.com / mark.ziirsen@nakedbrands.com

With a copy to:

Graubard Miller
The Chrysler Building
405 Lexington Avenue, 11th Floor
New York, New York 10174
Attention:David Alan Miller / Eric T. Schwartz
E-mail:dmiller@graubard.com / eschwartz@graubard.com

and

Pillsbury Winthrop Shaw Pittman LLP
31 West 52nd Street
New York, New York 10019
Attention: Jonathan J. Russo / Ted Powers III
Email: jonathan.russo@pillsburylaw.com / ted.powers@pillsbury.com

or to such other address or to the attention of such other Person as the Parent has specified by prior written notice to the sending party.

(g) Governing Law. All issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto, and the relative rights of the Parent and the Holders hereunder, shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) MUTUAL WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

(i) CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH OF THE PARTIES, AND EACH OF THEIR SUCCESSORS AND ASSIGNS, IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE OR, ONLY IF SUCH COURT LACKS JURISDICTION, THE STATE OR FEDERAL COURTS IN THE STATE OF DELAWARE, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO, AND EACH OF THEIR SUCCESSORS AND ASSIGNS, FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT TO SUCH PARTY'S RESPECTIVE ADDRESS SET FORTH ABOVE SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS PARAGRAPH. EACH OF THE PARTIES HERETO, AND EACH OF THEIR SUCCESSORS AND ASSIGNS, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY IN THE AFOREMENTIONED COURTS, AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(j) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than by limitation.

(k) No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(l) Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

(m) Electronic Delivery. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent executed and delivered by means of a photographic, photostatic, facsimile or similar reproduction of such signed writing using a facsimile machine or electronic mail shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(n) Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Holder shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

(o) Dilution. If, from time to time, there is any change in the capital structure of the Parent by way of a stock split, stock dividend, combination or reclassification, or through a merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment shall be made in the provisions hereof so that the rights and privileges granted hereby shall continue.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties have executed this Lock-Up Agreement as of the date first written above.

EXECUTED by **NAKED BRAND GROUP LIMITED ACN 619 054 938** in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

Signature of Director	Signature of Director / Company Secretary (delete as applicable)
Name of Director (Please print)	Name of Director / Company Secretary (Please print)

IN WITNESS WHEREOF, the parties have executed this Lock-Up Agreement as of the date first written above.

HOLDER

If individual:

_____
Signature of Shareholder

_____
Printed Name of Shareholder

If entity:

_____
Printed Name of Entity

By: _____

Name: _____

Title: _____

Exhibit 10.5

Relationship agreement

Project Motion

—

Naked Brand Group Limited
Peter Wang
Cenntro Enterprise Limited
Trendway Capital Limited

—

Relationship agreement

in relation to shares in Naked Brand Group Limited

Details

Date	[*insert Closing date*] 2021

Parties

Name	**Naked Brand Group Limited**
ACN	619 054 938
Short form name	**Company**
Notice details	MLC Centre Level 61 25 Martin Place Sydney, NSW, 2000 Attention: The Directors

Name	**Peter Wang**
Short form name	**PW**
Notice details	

Name	**Cenntro Enterprise Limited**
[company identifier / number]	[*insert details*]
Short form name	**CEL**
Notice details	

Name	**Trendway Capital Limited**
[company identifier / number]	[*insert details*]
Short form name	**Trendway**
Notice details	

Background

A The Company, CAG, and its wholly owned subsidiaries, CAG HK, CAC, and CEG, have entered into the Stock Purchase Agreement.

B Immediately following the Closing and after giving effect to the Distribution:

(i) CEL will beneficially own approximately [insert]% of the Shares of the Company; and

(ii) Trendway will beneficially own approximately [insert]% of the Shares of the Company, and PW is the sole director and ultimate controller of each of CEL and Trendway.

C The parties have agreed to enter into this agreement to put in place appropriate arrangements with respect to the rights of the Nominator Parties to appoint Nominee Directors to the Board on and from Closing and in the event that any of the Nominee Directors are removed as Directors by members pursuant to Section 203D of the Corporations Act.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement:

Board means the board of Directors of the Company, as constituted from time to time.

Business Day means:

(a) for receiving a Notice under clause 5, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the Notice is received; and

(b) for all other purposes, a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia or New York, United States of America.

CAC means Cenntro Automotive Corporation, a Delaware corporation and a wholly owned subsidiary of CAG.

CAG means Cenntro Automotive Group Limited, a Cayman Islands company limited by shares.

CAG HK means Cenntro Automotive Group Limited, a Hong Kong private company limited by shares and a wholly owned subsidiary of CAG,

CEG means Cenntro Electric Group, Inc., a Delaware corporation and a wholly owned subsidiary of CAG.

Cessation Date means the date that the Nominator Parties cease to collectively beneficially own at least 10% of the issued and outstanding Shares or such other date agreed by the parties in writing.

Closing has the meaning given to that term in the Stock Purchase Agreement.

Company means Naked Brand Group Limited (ACN 619 054 938), an Australian company.

Constitution means the constitution of the Company, as amended in the manner contemplated in the Stock Purchase Agreement (which, for the avoidance of doubt, includes the insertion of provisions pursuant to which the Board is divided into classes of Directors who must stand for re-election every three years).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a member of the Board.

Distribution has the meaning given to that term in the Stock Purchase Agreement.

Nominator Parties means each of PW, CEL, Trendway and any other party controlled by PW which holds Shares.

Nominee Director has the meaning given to that term in clause 3.1.

Notice has the meaning given to that term in clause 5.1.

Share means a fully paid ordinary share in the Company.

Stock Purchase Agreement means the stock purchase agreement, dated November 5, 2021, entered into by and among the Company, CAC, CEG, CAG and CAG HK.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

(a) the singular includes the plural and vice versa, and a gender includes other genders;

(b) another grammatical form of a defined word or expression has a corresponding meaning;

(c) a reference to a clause, paragraph or annexure is to a clause or paragraph of, or annexure to, this agreement, and a reference to this agreement includes any annexure;

(d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

(e) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

(f) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

(g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(h) the meaning of general words is not limited by specific examples introduced by **including**, **for example** or similar expressions;

(i) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and

(j) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Commencement

Except as otherwise specifically provided in this agreement, the obligations of the parties under this agreement commence on Closing and terminate, without any further action by the parties, on the Cessation Date.

3. Right to appoint Nominee Directors

3.1 Minimum holding

For so long as the Nominator Parties collectively beneficially own at least 10% of the issued and outstanding Shares, the Nominator Parties will collectively have the right to nominate and have appointed nominee Directors to the Board (each a **Nominee Director**) in accordance with this clause 3.

3.2 Initial Directors

(a) On Closing, the Board shall be made up of five (5) Directors and shall be constituted in accordance with Section 6.13 of the Stock Purchase Agreement.

(b) The parties acknowledge that, as of the closing of the Stock Purchase Agreement, each of Joe Tong, Chris Thorne, Simon Charles Howard Tripp and PW:

(i) have been appointed as Directors in accordance with the Stock Purchase Agreement;

(ii) are be deemed to be Nominee Directors; and

(iii) are a Class I, a Class II, a Class III and the managing Director (including for the purposes of rules 19 and 23 of the Constitution), respectively, for the purposes of the classified Board provisions of the Constitution.

3.3 Appointment of replacement Directors

(a) In the event that any Nominee Director is removed by members as a Director pursuant to section 203D of the Corporations Act (**Previous Nominee**), then PW may give notice in writing to the Company of the person the Nominator Parties wish to nominate as their Nominee Director in place of the Previous Nominee, together with a consent to act signed by the individual who is to be appointed as the Nominee Director.

(b) The Company must ensure that any person nominated under clause 3.3(a) is appointed as a Nominee Director and of the same class of Director as the Previous Nominee within two Business Days of receipt of a notice from PW and the signed consent to act from the Nominee Director in accordance with clause 3.3(a).

(c) Each Nominee Director will be appointed on terms consistent with the other non-Chairman, non-executive Directors of the Company.

3.4 Giving effect to this agreement

(a) The Company agrees to use reasonable endeavours to procure that the Directors that are not Nominee Directors act in a manner to give effect to this agreement.

(b) The Company agrees that, prior to the Cessation Date, the Company shall not amend rule 19 of the Constitution or otherwise adopt any provision that is inconsistent with the terms of rule 19 of the Constitution or this Agreement without the prior written consent of PW.

4. Representations and warranties

4.1 Mutual representations and warranties

Each party warrants to the other party that:

(a) if it is a corporation, it is validly existing under the laws of its place of incorporation or registration;

(b) it has the power and authority (or capacity) to enter into and perform its obligations under this agreement;

(c) assuming the due authorization, execution, and delivery thereof by the other parties, the execution and delivery of this agreement by it will constitute legal, valid and binding obligations of it, enforceable in accordance with its terms;

(d) it is not insolvent and no circumstances have arisen or may be reasonably expected to arise in consequence of which it may become insolvent, and no meeting has been convened, resolution proposed, petition presented or order made for the winding up of it and no receiver, receiver and manager, provisional liquidator, liquidator or other officer of a court or like person has been appointed in relation to any of its assets and no mortgagee has taken or attempted or indicated in any manner any intention to take possession of any of its assets; and

(e) the execution, delivery and performance of this agreement by it will not violate:

(i) any legislation or rule of law or regulation, authorisation, consent or any order or decree of any governmental authority;

(ii) if it is a corporation, its constituent documents;

(iii) any legislation, rules or other document constituting that party or governing its activities; or

(iv) any instrument to which it is a party or any instrument or judgement which is binding on it or any of its assets,

and will not result in the creation or imposition of any encumbrance or restriction of any nature on any of its assets.

5. Notices and other communications

5.1 Service of notices

A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:

(a) in writing, in English and signed by a person duly authorised by the sender; and

(b) hand delivered or sent by prepaid post or internationally recognized overnight delivery service to the recipient’s address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

5.2 Effective on receipt

A Notice given in accordance with clause 5.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

(a) if hand delivered, on delivery;

(b) if sent by prepaid post, the fifth Business Day after the date of posting (or the twelfth Business Day after the date of posting if posted to or from a place outside Australia); and

(c) if sent by internationally recognized overnight delivery service, the second Business Day after the date of posting,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

6. Miscellaneous

6.1 Alterations

This agreement may be altered only in writing signed by each party.

6.2 Approvals and consents

Except where this agreement expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this agreement.

6.3 Assignment

(a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other parties.

(b) A breach of clause 6.3(a) by a party entitles the other party to terminate this agreement.

6.4 Costs

The Company must pay all costs, fees and expenses of negotiating, preparing and executing this agreement.

6.5 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.

6.6 Counterparts

(a) This agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

(b) The parties acknowledge and agree that:

(i) they are willing, able and have the appropriate authorisation to execute this agreement electronically, including any counterparts;

(ii) they intend to be bound by executing electronically in the same way and to the same extent as if they executed using wet signatures and/or an exchange of paper originals; and

(iii) each party shall be entitled to rely on the electronically executed document in the same way and to the same extent as a duly executed, paper original.

6.7 Entire agreement

This agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all agreements or understandings dated before the date of this agreement between the parties in connection with its subject matter.

6.8 Severability

A term or part of a term of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force.

6.9 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

6.10 Relationship

Except where this agreement expressly states otherwise, it does not create a relationship of employment, trust, agency or partnership between the parties.

6.11 Governing law and jurisdiction

This agreement is governed by the law of New South Wales and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Signing page

EXECUTED as a deed.

Executed by **Naked Brand Group Limited ACN 619 054 938** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director	Signature of director/company secretary (Please delete as applicable)
Name of director (print)	Name of director/company secretary (print)

Signed by **Peter Wang** in the presence of:

Signature of witness	Peter Wang
Name of witness (print)	

Executed by **Cenntro Enterprise Limited** by the following authorised officers:

Signature of authorised officer	Signature of authorised officer
Name of authorised officer (print)	Name of authorised officer (print)

Executed by **Trendway Capital Limited** by the following authorised officers:

Signature of authorised officer	Signature of authorised officer
Name of authorised officer (print)	Name of authorised officer (print)

Exhibit 10.6

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "**Agreement**"), dated as of [●], 2021 and effective on the Business Combination Date, is by and among Naked Brand Group Limited (ACN 619 054 938), an Australian company (the "**Company**"), the undersigned buyers (the "**Buyers**"), the undersigned sellers (the "**Sellers**"), and the other holders (the "**Other Holders**" and, together with the Buyers and the Sellers, the "**Holders**").

RECITALS

A. In connection with the Note Purchase Agreement by and between Cenntro Automotive Group Limited, a Cayman Island company limited by shares ("**CAG**"), and the other parties thereto, dated as of November 4, 2021 (the "**Note Purchase Agreement**"), CAG has agreed, upon the terms and subject to the conditions of the Note Purchase Agreement, to issue and sell to the Buyers the Convertible Notes (as defined in the Note Purchase Agreement).

B. To induce the Buyers to consummate the transactions contemplated by the Note Purchase Agreement, CAG has agreed to cause the Company to enter into this Agreement as of the date hereof, but effective upon the Business Combination Date, so that the Company can provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**Securities Act**"), and applicable state securities laws to the Buyers relating to the Ordinary Shares received by the Buyers in respect of their Conversion Shares (as defined in the Note Purchase Agreement).

C. To induce CAG to consummate the transactions contemplated by the Acquisition Agreement, the Company has agreed to enter into this Agreement as of the date hereof, but effective upon the Business Combination Date, so that the Company can provide certain registration rights under the Securities Act and applicable state securities laws to the Sellers relating to the Ordinary Shares received by CAG in connection with the Acquisition Agreement and which Sellers receive pursuant to the Distribution described in Section 1.13 of the Acquisition Agreement.

D. As compensation for services rendered to the Company, the Company has granted Ordinary Shares and Stock Options to the Other Holders, each of whom is a director or executive officer of the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Holders hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Note Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "**Acquisition Agreement**" means that certain Stock Purchase Agreement, dated November 5, 2021, by and among the Company, CAG, Cenntro Automotive Group Limited, a Hong Kong private company limited by shares and a wholly owned subsidiary of CAG ("**CAG HK**"), Cenntro Automotive Corporation, a Delaware corporation and a wholly owned subsidiary of CAG ("**CAC**"), and Cenntro Electric Group, Inc., a Delaware corporation and a wholly owned subsidiary of CAG ("**CEG**").

(b) "**Business Combination**" means the purchase of the capital stock of CAG HK, CAC, and CEG, by the Company.

(c) "**Business Combination Date**" means the date on which closing of the Business Combination occurs.

(d) "**Business Day**" means any day other than (i) Saturday, Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to remain closed or (ii) with respect to dates on which filings are required to be made with the SEC, any day on which the SEC is not open and available to accept filings.

(e) "**Effective Date**" means the date that the applicable Registration Statement has been declared effective by the SEC.

(f) "**Effectiveness Deadline**" means with respect to the Initial Registration Statement required to be filed pursuant to Section 2(a), the 75th calendar day after the Business Combination Date. Notwithstanding the foregoing or anything to the contrary herein, if the Effectiveness Deadline falls on a day that is not a Business Day, the Effectiveness Deadline shall be on the next succeeding Business Day.

(g) "**Filing Deadline**" means with respect to the Initial Registration Statement required to be filed pursuant to Section 2(a), the fifth Business Day after the Business Combination Date.

(h) "**Investor**" means a Holder or any transferee or assignee of any Registrable Securities to whom such Holder assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and any transferee or assignee thereof to whom a transferee or assignee of any Registrable Securities, assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9.

(i) "**Ordinary Shares**" means ordinary shares of the Company, no par value per share.

(j) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, or any other entity of any kind or nature whatsoever, a trust, an unincorporated organization or a government or any department or agency or portion thereof.

(k) "**register**," "**registered**," and "**registration**" refer to a registration of the Ordinary Shares effected by preparing and filing one or more Registration Statements in compliance with the Securities Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the SEC.

(l) "**Registrable Securities**" means (i) the Ordinary Shares of the Company received by the Buyers pursuant to the Distribution described in Section 1.13 of the Acquisition Agreement, (ii) the Ordinary Shares of the Company received by the Sellers pursuant to the Distribution described in Section 1.13 of the Acquisition Agreement, (iii) the Ordinary Shares of the Company issued or to be issued to the Other Holders, including the Ordinary Shares issued or issuable upon exercise of Stock Options granted to the Other Holders, as compensation for services rendered to the Company, in each case, including, without limitation, any securities issued or issuable as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise. As to any Registrable Securities, such securities shall cease to be Registrable Securities when: (a) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (b) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company, and subsequent public distribution of them shall not require registration under the Securities Act; or (c) such securities are freely saleable under Rule 144 under the Securities Act without the requirement for current public information and without volume or manner of sale limitations.

(m) "**Registration Statement**" means a registration statement or registration statements of the Company required to be filed by this Agreement, including (in each case) the prospectus, amendments and supplements to any such registration statement or prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement, filed under the Securities Act covering Registrable Securities (and the term **"Initial Registration Statement"** shall mean the initial Registration Statement filed pursuant to Section 2(a)).

(n) "**Required Holders**" means the holders of a majority in interest of each of (x) the Registrable Securities described in clause (i) of the definition of Registrable Securities, (y) the Registrable Securities described in clause (ii) of the definition of Registrable Securities, and (z) the Registrable Securities described in clause (iii) of the definition of Registrable Securities.

(o) "**Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration.

(p) "**Rule 415**" means Rule 415 promulgated by the SEC under the Securities Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the SEC providing for offering securities on a continuous or delayed basis.

(q) "**SEC**" means the United States Securities and Exchange Commission or any successor thereto.

(r) "**Stock Option**" means any option or warrant to purchase Ordinary Shares granted by the Company to a director, officer, employee, or consultant of the Company.

(s) "**Subsequent Registration Statement**" has the meaning assigned to it in Section 2(b) hereof.

2. Registration.

(a) Mandatory Registration. The Company shall prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the SEC the Initial Registration Statement on Form F-3ASR (or, if the Company is not then eligible to use Form F-3ASR, Form F-3, Form F-1 or other available form) covering the resale of all of the Registrable Securities (together with such other number of Ordinary Shares constituting Registrable Securities as may be registered thereunder pursuant to Rule 416 or otherwise). Such Initial Registration Statement shall contain (except if otherwise directed by the Required Holders) the "Selling Shareholder" and "Plan of Distribution" sections in substantially the form attached hereto as **Exhibit B**. The Company shall use its commercially reasonable efforts to have such Initial Registration Statement, declared effective by the SEC as soon as practicable, but in no event later than the applicable Effectiveness Deadline for such Registration Statement.

(b) Subsequent Registration Statement. If the Initial Registration Statement ceases to be effective under the Securities Act for any reason at any time during the Registration Period, the Company shall, subject to Section 4(a), use its commercially reasonable efforts to as promptly as is reasonably practicable cause the Initial Registration Statement to again become effective under the Securities Act (including obtaining the prompt withdrawal of any order suspending the effectiveness of the Initial Registration Statement) or file an additional registration statement (a "**Subsequent Registration Statement**") registering the resale of all Registrable Securities that remain outstanding. If a Subsequent Registration Statement is filed, the Company shall use its commercially reasonable efforts to (i) cause such Subsequent Registration Statement to become effective under the Securities Act as promptly as is reasonably practicable after the filing thereof and (ii) keep such Subsequent Registration Statement continuously effective, available for use and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities. Any such Subsequent Registration Statement shall be on Form F-3 to the extent that the Company is eligible to use such form. Otherwise, such Subsequent Registration Statement shall be on another appropriate form.

(c) Legal Counsel. Subject to Section 5, [●] ("**[●]**") shall have the right to select one (1) legal counsel to review and comment, solely on its behalf and at its cost and expense, on any Registration Statement filed with the SEC pursuant to this Section 2 ("**Legal Counsel**"), which shall be McDermott Will & Emery LLP or such other counsel as thereafter designated by [●].

(d) Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration Statement. If (i) a Registration Statement covering the resale of all of the Registrable Securities required to be covered thereby and required to be filed by the Company pursuant to this Agreement is (A) not filed with the SEC on or before the Filing Deadline for such Registration Statement (a "**Filing Failure**") (it being understood that if the Company files a Registration Statement without affording each Investor the opportunity to review and comment on the same as required by Section 3(c) hereof, the Company shall be deemed to not have satisfied this clause (i)(A) and such event shall be deemed to be a Filing Failure) or (B) not declared effective by the SEC on or before the Effectiveness Deadline for such Registration Statement (an "**Effectiveness Failure**"), the Company shall be deemed to not have satisfied this clause (i)(B) and such event shall be deemed to be an Effectiveness Failure, (ii) on any day after the Effective Date of a Registration Statement sales of the Registrable Securities required to be included on such Registration Statement cannot be made pursuant to such Registration Statement (including, without limitation, because of a failure to keep such Registration Statement effective) (a "**Maintenance Failure**"), for more than five (5) consecutive calendar days or more than an aggregate of ten (10) calendar days (which need not be consecutive calendar days) during any 12-month period; provided that a Maintenance Failure shall not be deemed to occur for the purposes of this section to the extent a post-effective amendment to the Registration Statement is required for the purpose of meeting the requirements of section 10(a)(3) of the Securities Act and the resulting Maintenance Failure continues for fifteen (15) days or less (which, for the avoidance of doubt, shall not be counted toward the five and ten-day periods above), then, following written notice to the Company by the Required Holders, as partial relief for the damages to any holder by reason of any such delay in, or reduction of, its ability to sell the underlying Ordinary Shares (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to each Buyer holder of Registrable Securities relating to such Registration Statement an amount in cash equal to one percent (1%) of the applicable Buyer's total committed purchase price for the Registrable Securities affected by such failure pursuant to the Note Purchase Agreement (i.e., if all of the Buyer's Securities are so affected, 1.0% of $50,000,000, or $500,000) (1) within three (3) Business Days after the date of such Filing Failure, Effectiveness Failure or Maintenance Failure, as applicable, and (2) on every thirty (30) day anniversary of (I) a Filing Failure until such Filing Failure is cured; (II) an Effectiveness Failure until the earlier of such Effectiveness Failure is cured or the expiration of the Registration Period; or (III) a Maintenance Failure until such Maintenance Failure is cured. The payments to which a Buyer holder of Registrable Securities shall be entitled pursuant to this Section 2(d) are referred to herein as "**Registration Delay Payments**." Following the initial Registration Delay Payment for any particular event or failure (which shall be paid on the date of such event or failure, as set forth above), without limiting the foregoing, if an event or failure giving rise to the Registration Delay Payments is cured prior to any thirty (30) day anniversary of such event or failure, then no further Registration Delay Payment(s) shall accrue after such cure. In the event the Company fails to make Registration Delay Payments in a timely manner in accordance with the foregoing, such Registration Delay Payments shall bear interest at the rate of one percent (1%) per month (prorated for partial months) until paid in full. Notwithstanding the foregoing, no Registration Delay Payments shall be owed to an Investor: (i) with respect to a Filing Failure, an Effectiveness Failure or a Maintenance Failure, for any period after the date on which such Investor may conduct a resale of all of its Registrable Securities in reliance on a valid exemption from registration in accordance with Rule 144 and (ii) with respect to any Registrable Securities excluded from a Registration Statement by election of an Investor. Notwithstanding anything herein to the contrary, the Company shall not be required to make more than an aggregate of six (6) Registration Delay Payments pursuant to this Section 2(d).

(e) Offering. Notwithstanding anything to the contrary contained in this Agreement, the Company agrees with the Holders that each Registration Statement required to become effective hereunder shall become effective and be used for resales by the Investors such that it does not constitute and is not deemed to constitute an offering of securities by, or on behalf of, the Company, and that permits the continuous resale at the market by the Investors participating therein (or as otherwise may be acceptable to each Investor) without such Investors being named therein as an "underwriter."

(f) Piggyback Registrations. Without limiting any obligation of the Company hereunder (including its obligations under Section 2(g)) or under the Note Purchase Agreement, if there is not an effective Registration Statement covering all of the Registrable Securities or the prospectus contained therein is not available for use and the Company shall determine to prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities (other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans), then the Company shall deliver to each Investor a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such Investor shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Investor requests to be registered; provided, however, that, for the purposes of clarity, the Company shall not be required to register any Registrable Securities pursuant to this Section 2(f) that are eligible for resale pursuant to Rule 144 without restriction (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or that are the subject of a then-effective Registration Statement. Notwithstanding anything else to the contrary in this Section 2(f), if the Registration Statement is in the form of an underwritten offering and the managing underwriter(s) advise the Company that the dollar amount or number of Registrable Securities, taken together with all of the other securities which the Company desires to sell or for which registration has been requested pursuant to written contractual piggy-back registration rights held by other stockholders, exceeds the maximum dollar amount or maximum number of securities that can be sold in such offering without adversely affecting the proposed offering price, timing, distribution method, or probability of success (collectively, such limitation the "**Maximum Number of Securities**"), then the Company shall limit the securities to be included on such Registration Statement to: first, the number of securities which the Company desires to sell for itself without exceeding the Maximum Number of Securities; and second, securities (including Registrable Securities) for which registration has been requested pursuant to written contractual piggy-back registration rights, pro rata in accordance with the number of securities that each such person has requested be included in such registration regardless of the number of securities held by each such person, that can be sold without exceeding the Maximum Number of Securities.

(g) No Inclusion of Other Securities. Except as set forth in Schedule 2(g) hereto, in no event shall the Company include any securities other than Registrable Securities on any Registration Statement without the prior written consent of the Required Holders (which consent shall not be unreasonably withheld, conditioned or delayed).

3. Related Obligations.

The Company shall use its commercially reasonable efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the SEC (i) the Initial Registration Statement with respect to all the Registrable Securities (but in no event later than the applicable Filing Deadline) and use its commercially reasonable efforts to cause such Registration Statement to become effective as soon as practicable after such filing (but in no event later than the Effectiveness Deadline) and (ii), if applicable, a Subsequent Registration Statement. The Company shall keep each Registration Statement effective (and the prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investors on a delayed or continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date as of which the Investors are eligible to sell all of the Registrable Securities required to be covered by such Registration Statement without restriction pursuant to Rule 144 (including, without limitation, volume restrictions) and without the need for current public information required by Rule 144(c)(1) (or Rule 144(i)(2), if applicable) or (ii) the date on which the Investors shall have sold all of the Registrable Securities covered by such Registration Statement (the "**Registration Period**"). Notwithstanding anything to the contrary contained in this Agreement, the Company shall ensure that, when filed and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement (1) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of prospectuses, in the light of the circumstances in which they were made) not misleading and (2) will disclose (whether directly or through incorporation by reference to other SEC filings to the extent permitted) all material information regarding the Company and its securities. The Company shall submit to the SEC, within five (5) Business Days after the later of the date that (i) the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be) and (ii) the consent of Legal Counsel is obtained pursuant to Section 3(c) (which consent shall be immediately sought), a request for acceleration of effectiveness of such Registration Statement to a time and date not later than forty-eight (48) hours after the submission of such request.

(b) The Company shall prepare and file with the SEC such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the prospectus used in connection with each such Registration Statement, which prospectus is to be filed pursuant to Rule 424 promulgated under the Securities Act, as may be necessary to keep each such Registration Statement effective at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement; provided, however, that by 5:30 p.m. (New York time) on the Business Day immediately following each Effective Date, the Company shall file with the SEC in accordance with Rule 424(b) under the Securities Act the final prospectus to be used in connection with sales pursuant to the applicable Registration Statement (whether or not such a prospectus is technically required by such rule). In the case of amendments and supplements to any Registration Statement which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 20-F or any similar or successor report under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the SEC on the same day on which the 1934 Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall (A) permit Legal Counsel to review and comment upon (i) each Registration Statement at least two (2) Business Days prior to its filing with the SEC and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the prospectus contained therein) (except for Annual Reports on Form 20-F, Report of Foreign Private Issuer on Form 6-K, and any similar or successor reports) within a reasonable number of days prior to their filing with the SEC, and (B) not file any Registration Statement or amendment or supplement thereto in a form to which Legal Counsel reasonably objects. The Company shall not submit a request for acceleration of the effectiveness of a Registration Statement or any amendment or supplement thereto or to any prospectus contained therein without the prior consent of Legal Counsel, which consent shall not be unreasonably withheld, conditioned or delayed. The Company shall promptly furnish to Legal Counsel without charge, (i) copies of any correspondence from the SEC or the Staff to the Company or its representatives relating to each Registration Statement; provided that such correspondence shall not contain any material, non-public information regarding the Company or any of its Subsidiaries (as defined in the Note Purchase Agreement), (ii) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by an Investor, and all exhibits and (iii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto. The Company shall reasonably cooperate with Legal Counsel in performing the Company's obligations pursuant to this Section 3.

(d) The Company shall promptly furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge, if requested by an investor (i) after the same is prepared and filed with the SEC, one (1) copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, all exhibits and each preliminary prospectus, (ii) upon the effectiveness of each Registration Statement, one (1) copy of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request from time to time) and (iii) such other documents, including, without limitation, copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor. Notwithstanding the foregoing, the Company shall not have any obligation to provide any documents to such Investors under this Section 3(d) to the extent such document is available on the SEC's EDGAR system.

(e) The Company shall use its commercially reasonable efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by Investors of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e) or (y) subject itself to general taxation in any such jurisdiction. The Company shall promptly notify Legal Counsel and each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and each Investor in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and promptly prepare a supplement or amendment to such Registration Statement and such prospectus contained therein to correct such untrue statement or omission and deliver copies of such supplement or amendment to Legal Counsel and each Investor (as Legal Counsel, legal counsel for each other Investor or such Investor may reasonably request). The Company shall also promptly notify Legal Counsel and each Investor in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and each Investor by facsimile or e-mail on the same day of such effectiveness and by overnight mail), and when the Company receives written notice from the SEC that a Registration Statement or any post-effective amendment will be reviewed by the SEC, (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate; and (iv) of the receipt of any request by the SEC or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related prospectus. The Company shall respond as promptly as practicable to any comments received from the SEC with respect to each Registration Statement or any amendment thereto (it being understood and agreed that the Company shall use commercially reasonable efforts to respond to any such comments shall be delivered to the SEC no later than five (5) Business Days after the receipt thereof).

(g) The Company shall (i) use its commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of each Registration Statement or the use of any prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and (ii) notify Legal Counsel and each Investor who holds Registrable Securities of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(h) The Company shall hold in confidence and not make any disclosure of information concerning an Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws or delivered to the Company for the purpose of inclusion in a Registration Statement, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the Securities Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at such Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(i) Without limiting any obligation of the Company under the Note Purchase Agreement, the Company shall (i) use its commercially reasonable efforts either to cause all of the Registrable Securities covered by each Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (ii) if, despite the Company's commercially reasonable efforts to satisfy the preceding clause (i) the Company is unsuccessful in satisfying the preceding clause (i), without limiting the generality of the foregoing, use its commercially reasonable efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority ("**FINRA**") as such with respect to such Registrable Securities.

(j) The Company shall cooperate with the Investors who hold Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable, to the extent applicable, such certificates to be in such amounts (as the case may be) as the Investors may reasonably request from time to time and registered in such names as the Investors may request.

(k) If requested by an Investor, the Company shall as soon as practicable after receipt of notice from such Investor, (i) incorporate in a prospectus supplement or post-effective amendment such information as an Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or prospectus contained therein if reasonably requested by an Investor holding any Registrable Securities.

(l) The Company shall use its commercially reasonable efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(m) The Company shall make generally available to its security holders as soon as practical, but not later than one hundred twenty (120) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the Securities Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal half-year next following the applicable Effective Date of each Registration Statement.

(n) The Company shall otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(o) Within three (3) Business Days after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investors whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC substantially in the form attached hereto as **Exhibit A**.

(p) The Company shall use its commercially reasonable efforts to maintain eligibility for use of Form F-3 (or any successor form thereto) for the registration of the resale of all the Registrable Securities.

(q) The Company shall take all other reasonable actions necessary to expedite and facilitate disposition by each Investor of its Registrable Securities pursuant to each Registration Statement.

4. Obligations of the Investors.

(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement, the Company shall notify each Investor in writing of the information the Company seeks from each such Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Investor that such Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required, in the good faith judgment of such Investor, to effect and maintain the effectiveness of the registration of such Registrable Securities and the Company shall not be required to pay any holder of Registrable Securities any fee under Section 2(d) if such Filing Failure or Effectiveness Failure was caused by such holders failure to provide the information to the Company required hereby.

(b) Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(g) or the first sentence of Section 3(f), such Investor will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until such Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(f) or receipt of notice that no supplement or amendment is required.

(c) Each Investor covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

5. Expenses of Registration.

All reasonable expenses, other than underwriting discounts and commissions, incurred by the Company in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, FINRA filing fees (if any) and fees and disbursements of counsel for the Company shall be paid by the Company, but excluding, for the avoidance of doubt, fees and disbursements of Legal Counsel.

6. Indemnification.

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend each Investor and each of its directors, officers, managers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls such Investor within the meaning of the Securities Act or the 1934 Act and each of the directors, officers, managers, shareholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an "**Indemnified Person**"), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable out-of-pocket attorneys' fees and costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "**Claims**") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("**Indemnified Damages**"), to which any of them become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered, or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading or (iii) any violation or alleged violation by the Company of the Securities Act, the 1934 Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "**Violations**") unless such Violations are based primarily upon a breach of Investor's representations, warranties, or covenants under the Transaction Documents or any violations by Investor of state or federal securities laws or any conduct by Investor which constitutes fraud, gross negligence or willful misconduct. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person for such Indemnified Person expressly for use in connection with the preparation of such Registration Statement or any such amendment thereof or supplement thereto and (ii) shall not be available to a particular Investor to the extent such Claim is based on a failure of such Investor to deliver or to cause to be delivered the prospectus made available by the Company (to the extent applicable), including, without limitation, a corrected prospectus, if such prospectus or corrected prospectus was timely made available by the Company pursuant to Section 3(d) and then only if, and to the extent that, following the receipt of the corrected prospectus no grounds for such Claim would have existed; and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(b) In connection with any Registration Statement in which an Investor is participating, such Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement, all employees, agents, advisors and representatives and each Person, if any, who controls the Company within the meaning of the Securities Act or the 1934 Act (each, an "**Indemnified Party**"), against any Claim or Indemnified Damages to which any of them become subject, under the Securities Act, the 1934 Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement; and, subject to Section 6(c) and the below provisos in this Section 6(b), such Investor will reimburse an Indemnified Party any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld or delayed, provided, further, that such Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of any of the Registrable Securities by any of the Investors pursuant to Section 9.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding (including, without limitation, any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party (as the case may be); provided, however, that an Indemnified Person or Indemnified Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense of such Claim and to employ counsel reasonably satisfactory to such Indemnified Person or Indemnified Party (as the case may be) in any such Claim; or (iii) the named parties to any such Claim (including, without limitation, any impleaded parties) include both such Indemnified Person or Indemnified Party (as the case may be) and the indemnifying party, and such Indemnified Person or such Indemnified Party (as the case may be) shall have been advised by counsel in writing that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Person or such Indemnified Party and the indemnifying party (in which case, if such Indemnified Person or such Indemnified Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the indemnifying party, provided, further, that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for all Indemnified Persons or Indemnified Parties (as the case may be)). The Indemnified Party or Indemnified Person (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person (as the case may be), which shall not be unreasonably withheld, conditioned or delayed, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person (as the case may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnified Party. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person (as the case may be) with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.

(d) No Person involved in the sale of Registrable Securities who is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to indemnification from any Person involved in such sale of Registrable Securities who is not guilty of fraudulent misrepresentation.

(e) The payment of fees and expense of counsel required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(f) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

(g) Notwithstanding any provision in this Agreement or any other Transaction Documents, the aggregate indemnification obligations of the Company pursuant to this Section 6 shall not exceed 100% of the aggregate purchase price actually paid by such Investor or assignee, as the case may be, in connection with its purchase of the Convertible Notes under the Notes Purchase Agreement or, in the case of the Sellers and the Other Holders, the aggregate market value of the Ordinary Shares on the date the Ordinary Shares (or the Stock Option, in the case of Ordinary Shares subject to a Stock Option) were distributed or received, as the case may be.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, then indemnifying party, in lieu of indemnifying such Indemnified Party or Indemnified Person, shall contribute to the amount paid or payable by such Indemnified Party or Indemnified Person as a result of such Claim or Indemnified Damages in such proportion as is appropriate to reflect the relative fault of the Indemnified Party or Indemnified Person and the indemnifying party in connection with the actions or omissions which resulted in Claim or Indemnified Damages, as well as any other relevant equitable considerations. The relative fault of any Indemnified Party or Indemnified Person and any indemnifying party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such Indemnified Party or such Indemnifying Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding sentence. Notwithstanding the foregoing: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, (i) no Investor shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the applicable sale of the Registrable Securities subject to the Claim less the amount of any damages that such Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) the Company shall not be required to contribute, in the aggregate, an amount that exceeds 100% of the aggregate purchase price actually paid by such Indemnified Person or Indemnified Party in connection with its purchase of the Convertible Notes under the Notes Purchase Agreement or, in the case of the Sellers and the Other Holders, the aggregate market value of the Ordinary Shares on the date the Ordinary Shares (or the Stock Option, in the case of Ordinary Shares subject to a Stock Option) were distributed or received, as the case may be.

8. Reports Under the 1934 Act.

With a view to making available to the Investors the benefits of Rule 144, from the Business Combination Date until the expiration of the Registration Period, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the 1934 Act so long as the Company remains subject to such requirements (it being understood and agreed that nothing herein shall limit any obligations of the Company under the Note Purchase Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to each Investor so long as such Investor owns Registrable Securities, promptly upon written request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144 and the 1934 Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the SEC if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration.

9. Assignment of Registration Rights.

All or any portion of the rights under this Agreement shall be automatically assignable by each Investor to any transferee or assignee (as the case may be) of all or any portion of such Investor's Registrable Securities if: (i) such Investor agrees in writing with such transferee or assignee (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such transfer or assignment (as the case may be); (ii) the Company is, within a reasonable time after such transfer or assignment (as the case may be), furnished with written notice of (a) the name and address of such transferee or assignee (as the case may be), and (b) the securities with respect to which such registration rights are being transferred or assigned (as the case may be); (iii) immediately following such transfer or assignment (as the case may be) the further disposition of such securities by such transferee or assignee (as the case may be) is restricted under the Securities Act or applicable state securities laws if so required; (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence such transferee or assignee (as the case may be) agrees in writing with the Company to be bound by all of the provisions contained herein; (v) in the case of Registrable Securities received in the Distribution in respect of the Convertible Notes or securities acquired upon conversion of the Convertible Notes, such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Note Purchase Agreement or the Convertible Notes; (vi) in the case of Registrable Securities received in the Distribution (other than in respect of the Convertible Notes or securities acquired upon conversion of the Convertible Notes), such transfer or assignment (as the case may be) shall have been made in accordance with the applicable requirements of the Acquisition Agreement; and (vi) such transfer or assignment (as the case may be) shall have been conducted in accordance with all applicable federal and state securities laws.

10. Amendment of Registration Rights.

Provisions of this Agreement may be amended only with the written consent of the Company and the Required Holders. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

11. Miscellaneous.

(a) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns, or is deemed to own, of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(b) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by e-mail (provided that confirmation of transmission is electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses and e-mail addresses for such communications shall be:

If to the Company:

Naked Brand Group Limited
Level 61, MLC Centre, 25 Martin Place
Sydney, NSW 2000, Australia
Attention: CEO and CFO
Email:

With a copy (for informational purposes only) to:

Pillsbury Winthrop Shaw Pittman LLP
31 West 52nd Street
New York, New York 10019
Attention: Jonathan J. Russo / Ted Powers III
Email: jonathan.russo@pillsburylaw.com / ted.powers@pillsbury.com

and

Graubard Miller
The Chrysler Building
405 Lexington Avenue, 11th Floor
New York, New York 10174
Attention: David Alan Miller / Eric T. Schwartz
Email: dmiller@graubard.com / eschwartz@graubard.com

If to a Buyer:

The address or e-mail address (as the case may be) set forth on the applicable Buyer Schedule attached to the Note Purchase Agreement, with copies to such Buyer's representatives as set forth on the applicable Buyer Schedule, or to such other address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change.

If to a Seller or an Other Holder:

The address or e-mail address (as the case may be) set forth on the signature page hereto; provided that Legal Counsel shall only be provided notices sent to each Buyer. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's e-mail transmission containing the time, date and e-mail address or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by e-mail, or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and each Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each party hereto shall be entitled to seek an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by any other party hereto and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which any party may be entitled by law or equity.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(e) This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein constitute the entire agreement among the parties hereto and thereto solely with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all prior agreements and understandings among the parties hereto solely with respect to the subject matter hereof and thereof; provided, however, that nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Investor has entered into with, or any instrument that any Investor received from, the Company prior to the date hereof with respect to any prior investment made by such Investor in the Company, (ii) waive, alter, modify or amend in any respect any obligations of the Company or any rights of or benefits to any Investor or any other Person in any agreement entered into prior to the date hereof between or among the Company and any Investor or any instrument that any Investor received prior to the date hereof from the Company and all such agreements and instruments shall continue in full force and effect or (iii) limit any obligations of the Company under any of the other Transaction Documents.

(f) Subject to compliance with Section 9 (if applicable), this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective permitted successors and assigns and the Persons referred to in Sections 6 and 7 hereof.

(g) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(h) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(i) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party. Terms used in this Agreement but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date in such other Transaction Documents unless otherwise consented to in writing by each Investor.

(k) All consents and other determinations required to be made by the Investors pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Required Holders.

(l) The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement or any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as, and the Company acknowledges that the Investors do not so constitute, a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Investors are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by the Transaction Documents or any matters, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by this Agreement or any of the other the Transaction Documents. Each Investor shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained herein was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and an Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.

[*signature pages follow*]

IN WITNESS WHEREOF, each of the Holders and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

[Signature page to Registration Rights Agreement]

IN WITNESS WHEREOF, each of the Buyers and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

BUYERS:

[●]

By: _____
Name:
Title:

[●]

By: _____
Name:
Title:

[●]

By: _____
Name:
Title:

[●]

By: _____
Name:
Title:

[●]

By: _____
Name:
Title:

IN WITNESS WHEREOF, each of the Sellers and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

SELLERS:

Name

Signature

Title (If Holder is an Entity)

Address for notice:

Name

Street

City, State and Zip Code

E-mail

IN WITNESS WHEREOF, each of the Other Holders and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

OTHER HOLDERS:

Name

Signature

Title (If Holder is an Entity)

Address for notice:

Name

Street

City, State and Zip Code

E-mail

Exhibit 10.7

Naked Brand Group Limited
Up to $300,000,000 of Ordinary Shares

Equity Distribution Agreement

November 8, 2021

Maxim Group LLC
405 Lexington Avenue
New York, New York 10174

Ladies and Gentlemen:

Naked Brand Group Limited, a company incorporated under the laws of Australia (the "***Company***"), proposes to issue and sell through Maxim Group LLC (the "***Agent***"), as sales agent, ordinary shares, with no par value ("***Ordinary Shares***"), of the Company (the "***Shares***") having an aggregate offering price of up to $300,000,000 on terms set forth herein. The Shares consist entirely of authorized but unissued Ordinary Shares to be issued and sold by the Company.

The Company hereby confirms its agreement with the Agent (this "***Agreement***") with respect to the sale of the Shares.

1. ***Representations and Warranties of the Company***.

(a) The Company represents and warrants to, and agrees with, the Agent as follows:

(i) A registration statement on Form F-3 has been filed by the Company with the Securities and Exchange Commission (the "***Commission***") in accordance with the provisions of the Securities Act of 1933, as amended (the "***Securities Act of 1933***"), and the rules and regulations promulgated thereunder (the "***Rules and Regulations***" and collectively with the Securities Act of 1933, the "***Securities Act***"). No stop order of the Commission preventing or suspending the use of the Base Prospectus (as defined below), the Prospectus Supplement (as defined below), the Prospectus (as defined below) or any Permitted Free Writing Prospectus (as defined below), has been issued, and no proceedings for such purpose have been instituted or, to the Company's knowledge, are contemplated by the Commission. Except where the context otherwise requires, "***Registration Statement***," as used herein, means the registration statement on Form F-3 filed by the Company on May 18, 2021, as the same may be amended from time to time and at the time of such registration statement's effectiveness for purposes of Section 11 of the Securities Act, as such section applies to the Agent, including (1) all documents filed as a part thereof or incorporated or deemed to be incorporated by reference therein, (2) any information contained or incorporated by reference in a prospectus relating to the Shares filed with the Commission pursuant to Rule 424(b) under the Securities Act, to the extent such information is deemed, pursuant to Rule 430B or Rule 430C under the Securities Act, to be part of the registration statement at such time, and (3) any registration statement filed to register the offer and sale of Shares pursuant to Rule 462(b) under the Securities Act (the "***462(b) Registration Statement***"). Except where the context otherwise requires, "***Base Prospectus***," as used herein, means the base prospectus filed as part of the Registration Statement, together with any amendments or supplements thereto as of the date of this Agreement. Except where the context otherwise requires, "***Prospectus Supplement***," as used herein, means the most recent prospectus relating to the Shares, filed or to be filed by the Company with the Commission as part of the Base Prospectus pursuant to Rule 424(b) under the Securities Act and in accordance with the terms of this Agreement. Except where the context otherwise requires, "***Prospectus***," as used herein, means the Prospectus Supplement together with the Base Prospectus attached to or used with the Prospectus Supplement, as may be amended or supplemented from time to time. "***Permitted Free Writing Prospectus***," as used herein, means the documents, if any, listed on Schedule A attached hereto and, after the date hereof, any "issuer free writing prospectus" as defined in Rule 433 of the Securities Act, that is expressly agreed to by the Company and the Agent in writing to be a Permitted Free Writing Prospectus. Any reference herein to the Registration Statement, the Base Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus shall be deemed to refer to and include the documents, if any, incorporated by reference, or deemed to be incorporated by reference, therein pursuant to Item 6 of Form F-3 (the "***Incorporated Documents***"), including, unless the context otherwise requires, the documents, if any, filed as exhibits to such Incorporated Documents. For purposes of this Agreement, all references to the Registration Statement, the Rule 462(b) Registration Statement, the Base Prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("***EDGAR***"). All references in this Agreement to financial statements and schedules and other information which is "described," "contained," "included" or "stated" in the Registration Statement, the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in or otherwise deemed by the Rules and Regulations to be a part of or included in the Registration Statement, the Base Prospectus, the Prospectus or Permitted Free Writing Prospectus as the case may be. Any reference herein to the terms "***amend***," "***amendment***" or "***supplement***" with respect to the Registration Statement, any Base Prospectus, the Prospectus, the Prospectus Supplement or any Permitted Free Writing Prospectus shall be deemed to refer to and include the filing of any document under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "***Exchange Act***") on or after the initial filing of the Registration Statement, or the date of such Base Prospectus, the Prospectus, the Prospectus Supplement or such Permitted Free Writing Prospectus, if any, as the case may be, and incorporated or deemed to be incorporated therein by reference pursuant to Item 6 of Form F-3. "***Time of Sale***" means each time a Share is purchased pursuant to this Agreement.

(ii) (A) The Registration Statement complies as of the date hereof, will comply when it becomes effective and will comply upon the effectiveness of any amendment thereto and at each Time of Sale and each Settlement Date (as applicable), in all material respects, with the requirements of the Securities Act; the conditions to the use of Form F-3 in connection with the offering and sale of the Shares as contemplated hereby (the "***Offering***") were satisfied upon filing of the Registration Statement, subject, if applicable at the Time of Sale, to the limitations required by General Instruction I.B.5 of Form F-3; the Registration Statement meets, and the Offering complies with, the requirements of Rule 415 under the Securities Act (including, without limitation, Rule 415(a)(5)); the Registration Statement will not, as of the effective date of the Registration Statement or any amendment thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(B) The Prospectus, as of the date of the Prospectus Supplement, as of the date hereof (if filed with the Commission on or prior to the date hereof), and at each Settlement Date and Time of Sale (as applicable), complied, complies or will comply, in all material respects, with the requirements of the Securities Act; and the Prospectus, and each supplement thereto, as of their respective dates, and at each Settlement Date and Time of Sale (as applicable), did not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(C) Each Permitted Free Writing Prospectus, if any, as of its date and as of each Settlement Date and Time of Sale (as applicable) (when taken together with the Prospectus at such time) will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The representations and warranties set forth in subparagraphs (A), (B) and (C) above shall not apply to any statement contained in the Registration Statement, the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus in reliance upon and in conformity with information concerning the Agent that is furnished in writing by or on behalf of the Agent expressly for use in the Registration Statement, the Base Prospectus, the Prospectus or such Permitted Free Writing Prospectus, if any, it being understood and agreed that only such information furnished by the Agent as of the date hereof consists of the information described in Section 5(b)(ii).

(iii) Prior to the execution of this Agreement, the Company has not, directly or indirectly, offered or sold any Shares by means of any "prospectus" (within the meaning of the Securities Act) or used any "prospectus" (within the meaning of the Securities Act) in connection with the Offering, in each case other than the Base Prospectus or any Permitted Free Writing Prospectus; the Company has not, directly or indirectly, prepared, used or referred to any Permitted Free Writing Prospectus except in compliance with Rules 164 and 433 under the Securities Act; assuming that a Permitted Free Writing Prospectus, if any, is sent or given after the Registration Statement was filed with the Commission (and after such Permitted Free Writing Prospectus, if any, was, if required pursuant to Rule 433(d) under the Securities Act, filed with the Commission), the Company will satisfy the provisions of Rule 164 or Rule 433 necessary for the use of a free writing prospectus (as defined in Rule 405) in connection with the Offering; the conditions set forth in one or more of subclauses (i) through (iv), inclusive, of Rule 433(b)(1) under the Securities Act are satisfied, and the Registration Statement relating to the Offering, as initially filed with the Commission, includes a prospectus that, other than by reason of Rule 433 or Rule 431 under the Securities Act, satisfies the requirements of Section 10 of the Securities Act; neither the Company nor the Agent is disqualified, by reason of subsection (f) or (g) of Rule 164 under the Securities Act, from using, in connection with the Offering, "free writing prospectuses" (as defined in Rule 405 under the Securities Act) pursuant to Rules 164 and 433 under the Securities Act; the Company is not an "ineligible issuer" (as defined in Rule 405 under the Securities Act) as of the eligibility determination date for purposes of Rules 164 and 433 under the Securities Act with respect to the offering of the Shares contemplated by the Registration Statement; the parties hereto agree and understand that the content of any and all "road shows" (as defined in Rule 433 under the Securities Act) related to the Offering is solely the property of the Company.

(iv) Each Permitted Free Writing Prospectus, as of its issue date, each Time of Sale and each Settlement Date occurring after such issue date, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, any Base Prospectus or the Prospectus. The foregoing sentence does not apply to statements in or omissions from any Permitted Free Writing Prospectus based upon and in conformity with written information furnished to the Company by the Agent specifically for use therein, it being understood and agreed that the only such information furnished by the Agent as of the date hereof consists of the information described in Section 5(b) (ii).

(v) The financial statements, including the notes thereto, and the supporting schedules incorporated by reference in the Registration Statement and the Prospectus comply in all material respects with the requirements of the Securities Act, the Exchange Act and the Rules and Regulations, and (1) present fairly the financial condition of the Company and its subsidiaries (as identified in the Registration Statement and Prospectus, the "***Subsidiaries***") and financial position as of the dates indicated and the cash flows and results of operations for the periods specified of the Company and (2) to our knowledge, present fairly the financial condition of Cenntro (as defined below) and financial position as of the dates indicated and the cash flows and results of operations for the periods specified of Cenntro. Except as otherwise stated in the Registration Statement and the Prospectus, said financial statements have been prepared in conformity with International Financial Reporting Standards ("***IFRS***") applied on a consistent basis throughout the periods involved. Any selected financial data and summary financial information included in the documents in the Registration Statement and in the Prospectus constitute or will constitute a fair summary of the information purported to be summarized and have been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement. No other financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement or the Prospectus. All disclosures, if any, contained in the Registration Statement or the Prospectus or incorporated by reference therein regarding "non-IFRS financial measures" (as such term is defined by the applicable rules and regulations of the Commission) comply, in all material respects, with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act to the extent applicable. The other financial information included in the Registration Statement and the Prospectus present fairly the information included therein and have been prepared on a basis consistent with that of the financial statements that are included in the Registration Statement and the Prospectus and the books and records of the Company.

(vi) The Company and each of its Subsidiaries has been duly incorporated and validly exists as a corporation in good standing under the laws of its jurisdiction of incorporation. The Company and each of its Subsidiaries has all requisite corporate power and authority to own, lease and operate its respective properties and carry on its business as it is currently being conducted and as described in the Registration Statement and the Prospectus. The Company and each of its Subsidiaries is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the character or location of its properties (owned, leased or licensed) or the nature or conduct of its business makes such qualification necessary, except, in each case, for those failures to be so qualified or in good standing which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect (as defined below).

(vii) All of the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable, have been issued in compliance in all material respects with all applicable federal and state securities laws and none of those shares was issued in violation of any preemptive rights, rights of first refusal or other similar rights to the extent any such rights were not waived; the Shares have been duly authorized and, when issued and delivered against payment therefor as provided in this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of the Shares is not subject to any preemptive rights, rights of first refusal or other similar rights that have not heretofore been waived (with copies of such waivers provided or made available to the Agent). The Shares conform in all material respects to the descriptions thereof contained in the Registration Statement and the Prospectus under the heading "Description of Capital Shares."

(viii) BDO Audit Pty Ltd (the "***Auditor***"), whose reports relating to the Company are incorporated by reference into the Registration Statement and the Prospectus, is an independent registered public accounting firm as required by the Securities Act, the Exchange Act and the Rules and Regulations and the Public Company Accounting Oversight Board (the "***PCAOB***"). To the Company's knowledge, the Auditor is not in violation of the auditor independence requirements of the Sarbanes-Oxley Act of 2002 ("***Sarbanes-Oxley***") as such requirements pertain to the Auditor's relationship with the Company. Except as disclosed in the Registration Statement and the Prospectus, and except for any such non-audit services that were pre-approved by the Audit Committee of the Company's board of directors (the "***Board***") in accordance with Sections 10A(h) and (i) of the Exchange Act, the Auditor has not, during the periods covered by the financial statements included in the Registration Statement and the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

(ix) Subsequent to the respective dates as of which information is presented in the Registration Statement and the Prospectus, and except as disclosed in the Registration Statement and the Prospectus: (i) the Company (including its Subsidiaries) has not declared, paid or made any dividends or other distributions of any kind on or in respect of its capital stock, and (ii) there has been no material adverse change or, to the Company's knowledge, any development which would reasonably be expected to result in a material adverse change in the future, whether or not arising from transactions in the ordinary course of business, in or affecting (A) the business, condition (financial or otherwise), results of operations, stockholders' equity, properties or prospects of the Company and its Subsidiaries taken as a whole; or (B) the Offering or consummation of any of the other transactions contemplated by this Agreement, the Registration Statement and the Prospectus (a "***Material Adverse Effect***"). Since the date of the latest balance sheet included in the Registration Statement and the Prospectus, the Company (including its Subsidiaries) has not incurred or undertaken any liabilities or obligations, whether direct or indirect, liquidated or contingent, matured or unmatured, or entered into any transactions, including any acquisition or disposition of any business or asset, which are material to the Company and its Subsidiaries taken as a whole, except (I) for liabilities, obligations and transactions which were incurred in the ordinary course of business or are disclosed in the Registration Statement and the Prospectus, (II) for liabilities incurred in connection with the Acquisition Agreement (as defined below) and the transactions contemplated thereby, and (III) as would not be reasonably expected (individually or in the aggregate) to result in a Material Adverse Effect.

(x) There are no statutes, regulations, contracts or documents that are required to be described in the Registration Statement and the Prospectus or to be filed as exhibits to the Registration Statement by the Securities Act that have not been so described or filed.

(xi) Except as disclosed in the Registration Statement and the Prospectus, neither the Company nor any of its Subsidiaries is: (i) in violation of its form of constitution or other organizational documents, (ii) in default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject; and no event has occurred which, with notice or lapse of time or both, would constitute a default under or result in the creation or imposition of any lien, security interest, charge or other encumbrance (a "***Lien***") upon any of its property or assets pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject, or (iii) in violation in any respect of any applicable law, rule, regulation, ordinance, directive, judgment, decree or order of any judicial, regulatory or other legal or governmental agency or body, foreign or domestic, except, in the case of subsections (ii) and (iii) above, for such violations, defaults or Liens as are disclosed in the Registration Statement and the Prospectus or which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect.

(xii) The Company has all requisite corporate power and authority to execute and deliver this Agreement and all other agreements, documents, certificates and instruments required to be delivered pursuant to this Agreement. The Company's execution, delivery and performance under this Agreement and each of the transactions contemplated hereby have been duly authorized by all necessary corporate action. This Agreement has been duly and validly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, except (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) as enforceability of any indemnification or contribution provision may be limited under federal and state securities laws; and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(xiii) The execution, delivery and performance of this Agreement and all other agreements, documents, certificates and instruments required to be delivered pursuant to this Agreement and the consummation of the transactions contemplated hereby do not and will not: (i) conflict with, require consent under or result in a breach of any of the terms and provisions of, or constitute a default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the creation or imposition of any Lien upon any property or assets of the Company pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement, instrument, franchise, license or permit to which the Company is a party or by which the Company or any of its properties, operations or assets may be bound, (ii) violate or conflict with any provision of the form of constitution or other organizational documents of the Company, (iii) violate or conflict with any applicable law, rule, regulation, ordinance, directive, judgment, decree or order of any judicial, regulatory or other legal or governmental agency or body, domestic or foreign, or (iv) trigger a reset or repricing of any outstanding securities of the Company, except (x) in the case of subsection (i) for any consent which the Company has obtained or any conflict, breach or default for which the Company has received a waiver, (y) in the case of subsections (i) and (iii) for any default, conflict, violation or Lien that would not reasonably be expected to result in a Material Adverse Effect, and (z) in the case of subsection (iv) for any trigger for which the Company has received a waiver.

(xiv) Except as disclosed in the Registration Statement and the Prospectus, the Company and each of its Subsidiaries has all consents, approvals, authorizations, orders, registrations, qualifications, licenses, filings, grants, certificates and permits of, with and from all judicial, regulatory and other legal or governmental agencies, self-regulatory agencies, authorities and bodies and all third parties, foreign and domestic (collectively, the "***Consents***"), to own, lease and operate its properties and conduct its business as it is now being conducted and as disclosed in the Registration Statement and the Prospectus, and each such Consent is valid and in full force and effect, except such failure to have a Consent or of such Consent to be valid and in full force and effect which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has received notice of any investigation or proceedings which, if decided adversely to the Company or such Subsidiary, would reasonably be expected to result in, the revocation of, or imposition of a restriction on, any Consent, except such restriction or revocation of such Consent which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect. No Consent contains any material restriction not adequately disclosed in the Registration Statement and the Prospectus.

(xv) The Company is, and each of its Subsidiaries is, in compliance with all applicable laws, rules, regulations, ordinances, directives, judgments, decrees and orders, foreign and domestic, except for any non-compliance the consequences of which would not have a Material Adverse Effect.

(xvi) Prior to the Settlement Date, the Shares shall have been approved for listing on the Nasdaq Capital Market, subject to official notice of issuance (the "***Exchange***"), and the Company has taken no action designed to, or likely to have the effect of, delisting the Shares nor, except as disclosed in the Registration Statement and the Prospectus, has the Company received any notification that the Exchange is contemplating terminating such listing.

(xvii) No consents, approvals, authorizations, orders, registrations, qualifications, licenses, filings, grants, certificates and permits of, with or from any judicial, regulatory or other legal or governmental agency or body or any third party, foreign or domestic is required for the execution, delivery and performance of this Agreement or consummation of each of the transactions contemplated by this Agreement, including the issuance, sale and delivery of the Shares to be issued, sold and delivered hereunder, except (i) such as may have previously been obtained (with copies of such consents provided to the Agent), each of which is in full force and effect as of the date hereof, (ii) the registration under the Securities Act of the Shares, (iii) such consents as may be required under state securities or blue sky laws or the bylaws and rules of the Exchange, and (iv) by the Financial Industry Regulatory Authority, Inc. ("***FINRA***") in connection with the purchase and distribution of the Shares by the Agent.

(xviii) Except as disclosed in the Registration Statement and the Prospectus, there is no judicial, regulatory, arbitral or other legal or governmental proceeding or other litigation or arbitration, domestic or foreign, pending to which the Company or any of its Subsidiaries is a party or of which any property, operations or assets of the Company or its Subsidiaries is the subject which (i) would reasonably be expected to have a Material Adverse Effect, or (ii) is reasonably likely to materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder. To the Company's knowledge, no such proceeding, litigation or arbitration is threatened or contemplated against the Company or its Subsidiaries.

(xix) The statistical, industry-related and market-related data included in the Registration Statement and the Prospectus related to the business of the Company and, to the knowledge of the Company, to the business of Cenntro are based on or derived from sources which the Company reasonably and in good faith believes are reliable and accurate, and the Company and, to the knowledge of the Company, Cenntro has obtained the written consent to the use of such data from such sources, to the extent required, except for such failures to obtain written consent which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect.

(xx) The Company has established and maintains disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act) and such controls and procedures are designed to ensure that information relating to the Company required to be disclosed in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company has utilized such controls and procedures in preparing and evaluating the disclosure in the Registration Statement and in the Prospectus.

(xxi) Except as disclosed in the Registration Statement and the Prospectus, neither the Board nor the audit committee has been informed, nor is the Company aware, of: (i) any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(xxii) The Company has not taken, directly or indirectly, any action which constitutes or is designed to cause or result in, or which could reasonably be expected to constitute, cause or result in, the stabilization or manipulation of the price of any security to facilitate the sale or resale of the Shares.

(xxiii) Neither the Company nor any of its Affiliates (within the meaning of the Securities Act) has, prior to the date hereof, made any offer or sale of any securities which are required to be "integrated" pursuant to the Securities Act or the Rules and Regulations with the offer and sale of the Shares pursuant to the Registration Statement. Except as disclosed in the Registration Statement and the Prospectus, neither the Company nor any of its Affiliates has sold or issued any securities during the six-month period preceding the date of the Prospectus Supplement, including but not limited to any sales pursuant to Rule 144A, Regulation D or Regulation S under the Securities Act, other than Ordinary Shares issued pursuant to equity incentive plans, employee stock purchase plans, employee benefit plans, qualified stock option plans or employee compensation plans or pursuant to outstanding options, convertible notes, convertible preferred stock, rights or warrants to purchase Ordinary Shares.

(xxiv) To the knowledge of the Company, the biographies of the Company's officers and directors incorporated into the Registration Statement are true and correct in all material respects and the Company has not become aware of any information which would cause the information disclosed in the questionnaires previously completed by the directors and officers of the Company to become inaccurate and incorrect in any material respect.

(xxv) To the knowledge of the Company, no director or officer of the Company is subject to any non-competition agreement or non-solicitation agreement with any employer or prior employer which could materially affect his or her ability to be and act in his or her respective capacity of the Company.

(xxvi) The Company is not and, at all times up to and including the consummation of the transactions contemplated by this Agreement, and after giving effect to application of the Net Proceeds (as defined below), will not be, subject to registration as an "investment company" under the Investment Company Act of 1940, as amended, and is not and will not be an entity "controlled" by an "investment company" within the meaning of such act.

(xxvii) No relationship, direct or indirect, exists between or among any of the Company or, to the Company's knowledge, any Affiliate of the Company, on the one hand, and any director, officer, stockholder, customer or supplier of the Company or, to the Company's knowledge, any Affiliate of the Company, on the other hand, which is required by the Securities Act, the Exchange Act or the Rules and Regulations to be described in the Registration Statement or the Prospectus which is not so described as required. There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members, except as described in the Registration Statement and the Prospectus. The Company has not, in violation of Sarbanes-Oxley, directly or indirectly extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer of the Company.

(xxviii) Except as disclosed in the Registration Statement and the Prospectus, the Company is in compliance with the rules and regulations promulgated by the Exchange or any other governmental or self-regulatory entity or agency having jurisdiction over the Company, except for such failures to be in compliance which (individually or in the aggregate) would not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing: (i) all members of the Board who are required to be "independent" (as that term is defined under the rules of the Exchange), including, without limitation, all members of the audit committee of the Board, meet the qualifications of independence as set forth under applicable laws, rules and regulations and (ii) the audit committee of the Board has at least one member who is an "audit committee financial expert" (as that term is defined under applicable laws, rules and regulations).

(xxix) The Company and each of its Subsidiaries owns or leases all such properties (other than intellectual property, which is covered below) as are necessary to the conduct of its business as presently operated and as described in the Registration Statement and the Prospectus. The Company and each of its Subsidiaries has good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by it, in each case free and clear of all Liens except such as are described in the Registration Statement and the Prospectus or such as would not (individually or in the aggregate) have a Material Adverse Effect. Any real property and buildings held under lease or sublease by the Company or its Subsidiaries are held by it under valid, subsisting and, to the Company's knowledge, enforceable leases with such exceptions as are not material to, and do not materially interfere with, the use made and proposed to be made of such property and buildings by the Company or its Subsidiaries, and except, with respect to retail store leases (individually or in the aggregate) as would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor its Subsidiaries has received any written notice of any claim adverse to its ownership of any real or material personal property or of any claim against the continued possession of any real property, whether owned or held under lease or sublease by the Company or its Subsidiaries, except for such claims that, if successfully asserted against the Company or its Subsidiaries, would not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(xxx) The Company (including all of its Subsidiaries): (i) owns, possesses or has the right to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, formulae, customer lists and know-how and other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures, "***Intellectual Property***") necessary for the conduct of its businesses as being conducted and as described in the Registration Statement and the Prospectus, except as disclosed in the Registration Statement or the Prospectus, and (ii) has no knowledge that the conduct of its business conflicts or will conflict with the rights of others, and it has not received any written notice of any claim of conflict with, any right of others. To the Company's knowledge, there is no infringement by third parties of any such Intellectual Property. There is no pending or, to the Company's knowledge, threatened, action, suit, proceeding or claim by others challenging the Company's rights in or to any such Intellectual Property; and there is no pending or, to the Company's knowledge, threatened, action, suit, proceeding or claim by others that the Company infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others. Except as set forth in the Registration Statement and the Prospectus, the Company has not received any claim for royalties or other compensation from any person, including any employee of the Company who made inventive contributions to Company's technology or products that are pending or unsettled, and except as set forth in the Registration Statement and the Prospectus the Company does not and will not have any obligation to pay royalties or other compensation to any person on account of inventive contributions.

(xxxi) The agreements and documents described in the Registration Statement and the Prospectus conform in all material respects to the descriptions thereof contained therein and there are no agreements or other documents required by the applicable provisions of the Securities Act to be described in the Registration Statement or the Prospectus or to be filed with the Commission as exhibits to the Registration Statement, that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company (or its Subsidiaries) is a party or by which its property or business is or may be bound or affected and (i) that is referred to in the Registration Statement or the Prospectus or attached as an exhibit thereto, or (ii) is material to the Company's business, has been duly and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the foreign, federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought, and none of such agreements or instruments has been assigned by the Company (including any Subsidiaries), and neither the Company nor, to the Company's knowledge, any other party is in material breach or default thereunder and, to the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a breach or default thereunder, except, in any such case, as would not result in a Material Adverse Effect.

(xxxii) The disclosures in the Registration Statement and the Prospectus concerning the effects of foreign, federal, state and local regulation on the Company's business as currently contemplated are correct in all material respects.

(xxxiii) The Company has accurately prepared and filed all federal, state, foreign and other tax returns that are required to be filed by it through the date hereof, or has received timely extensions thereof, except where the failure to so file would not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, and has paid or made provision for the payment of all material taxes, assessments, governmental or other similar charges, including without limitation, all sales and use taxes and all taxes which the Company is obligated to withhold from amounts owing to employees, creditors and third parties, with respect to the periods covered by such tax returns, whether or not such amounts are shown as due on any tax return (except as currently being contested in good faith and for which reserves required by IFRS have been created in the financial statements of the Company) and except for such taxes, assessments, governmental or other similar charges the nonpayment of which would not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect. No deficiency assessment with respect to a proposed adjustment of the Company's federal, state, local or foreign taxes is pending or, to the Company's knowledge, threatened. The accruals and reserves on the books and records of the Company in respect of tax liabilities for any taxable period not finally determined are adequate to meet any assessments and related liabilities for any such period and, since the date of the Company's most recent audited financial statements, the Company has not incurred any material liability for taxes other than in the ordinary course of its business. There is no tax lien for taxes due and payable (except as currently being contested in good faith and for which reserves required by IFRS have been created in the financial statements of the Company), whether imposed by any federal, state, foreign or other taxing authority, outstanding against the assets, properties or business of the Company.

(xxxiv) No labor disturbance or dispute by or with the employees of the Company which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, currently exists or, to the Company's knowledge, is threatened. The Company is in compliance in all material respects with the labor and employment laws and collective bargaining agreements and extension orders applicable to its employees.

(xxxv) Except as would not be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect, (x) the Company (and its Subsidiaries) is in compliance with all material Environmental Laws (as hereinafter defined), and (y) to the Company's knowledge, no future expenditures are or will be required in order to comply therewith. The Company has not received any written notice or communication that relates to or alleges any actual or potential violation or failure to comply with any Environmental Laws that would, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. As used herein, the term "***Environmental Laws***" means all applicable laws and regulations, including any licensing, permits or reporting requirements, and any action by a federal, state or local government entity, pertaining to the protection of the environment, protection of public health, or the handling of hazardous materials, including without limitation, the Clean Air Act, 42 U.S.C. § 7401, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1321, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 690-1, et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.

(xxxvi) The Registration Statement and the Prospectus identify each employment, severance or other similar agreement, arrangement or policy and each material arrangement providing for insurance coverage, benefits, bonuses, stock options or other forms of incentive compensation, or post-retirement insurance, compensation or benefits which: (i) is entered into, maintained or contributed to, as the case may be, by the Company and (ii) covers any officer or director or former officer or former director of the Company, in each case to the extent required by the Rules and Regulations. These contracts, plans and arrangements are referred to collectively in this Agreement as the "***Benefit Arrangements***." Each Benefit Arrangement has been maintained in material compliance with its terms and with requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to that Benefit Arrangement in each case except where the failure to comply is not reasonably likely to have a Material Adverse Effect.

(xxxvii) The Company is not a party to or subject to any employment contract or arrangement providing for annual future compensation, or the opportunity to earn annual future compensation (whether through fixed salary, bonus, commission, options or otherwise) of more than $120,000 to any executive officer or director that is required to be described in the Registration Statement or the Prospectus, which is not so described.

(xxxviii) The conditions for use of Form F-3 to register the Offering under the Securities Act, as set forth in the General Instructions to such Form, have been satisfied.

(xxxix) Except as disclosed in the Registration Statement and the Prospectus, neither the execution of this Agreement nor the consummation of the Offering, constitutes a triggering event under any Benefit Arrangement or any other employment contract, whether or not legally enforceable, which (either alone or upon the occurrence of any additional or subsequent event) will or may result in any payment (of severance pay or otherwise), acceleration, increase in vesting or increase in benefits to any current or former participant, employee or director of the Company other than an event that is not material to the financial condition or business of the Company.

(xl) Neither the Company nor, to the Company's knowledge, any of its employees or agents, has at any time during the last three (3) years: (i) made any unlawful contribution to any candidate for foreign office, or failed to disclose fully any contribution in violation of law, or (ii) made any payment to any person that is, to the Company's knowledge, a federal or state governmental officer or official or other person charged with similar public or quasi-public duties in the United States, other than payments that are not prohibited by the laws of the United States or any jurisdiction thereof.

(xli) The Company has not offered, or caused the Agent to offer, any Shares to any person or entity with the intention of unlawfully influencing: (i) a supplier of the Company to alter the supplier's level or type of business with the Company or (ii) a journalist or publication to write or publish favorable information about the Company.

(xlii) The operations of the Company are and have been conducted at all times in compliance in all material respects with applicable financial record keeping and reporting requirements and applicable money laundering statutes of the United States and, to the Company's knowledge, all other applicable jurisdictions to which the Company is subject, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable governmental agency (collectively, the "***Money Laundering Laws***"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the Company's knowledge, threatened.

(xliii) Neither the Company nor, to the Company's knowledge, any director, officer, agent, employee or Affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("***OFAC***"); and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(xliv) None of the Company or, to the Company's knowledge, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company has engaged in any activities sanctionable under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Iran Sanctions Act of 1996, the National Defense Authorization Act for Fiscal Year 2012, the Iran Threat Reduction and Syria Human Rights Act of 2012 or any Executive Order relating to any of the foregoing (collectively, and as each may be amended from time to time, the "***Iran Sanctions***"); and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of engaging in any activities sanctionable under the Iran Sanctions.

(xlv) Except as described in the Registration Statement and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee by the Company or, to the Company's knowledge, any officer, director or stockholder of the Company (each, an "***Insider***") with respect to the sale of the Shares hereunder or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its stockholders that may affect the Agent's compensation, as determined by FINRA. Except as described in the Registration Statement and the Prospectus, the Company has not made any direct or indirect payments (in cash, securities or otherwise), including the issuance any warrants or other securities or granted any options, directly or indirectly, to (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company, (ii) a potential underwriter in the Offering or a related person (as defined by FINRA rules), (iii) to any FINRA member, or (iv) to any person or entity that has any direct or indirect affiliation or association with any FINRA member, in each case, within the 180 days prior to the filing date of the Registration Statement and shall not make such a payment between such date and the effective date of the Registration Statement. None of the Net Proceeds will be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein. To the Company's knowledge, (w) no officer, director or any beneficial owner of 5% or more of the Company's securities (whether debt or equity, registered or unregistered, regardless of the time acquired or the source from which derived) (any such individual or entity, a "***Company Affiliate***") has any direct or indirect affiliation or association with any FINRA member (as determined in accordance with the rules and regulations of FINRA); (x) no Company Affiliate is an owner of stock or other securities of any FINRA member (other than securities purchased on the open market); (y) no Company Affiliate has made a subordinated loan to any FINRA member; and (z) no Net Proceeds from the sale of the Shares will be paid to any FINRA member, or any persons associated with or affiliated with any FINRA member. Except as disclosed in the Registration Statement and the Prospectus, to the Company's knowledge, no FINRA member participating in the offering has a conflict of interest with the Company. For this purpose, a "conflict of interest" has the meaning ascribed to such term in FINRA Rule 5121(f)(5).

(xlvi) The Company has not distributed and will not distribute any prospectus or other offering material in connection with the Offering other than the Registration Statement and the Prospectus or other materials permitted by the Securities Act to be distributed by the Company; provided, however, that the Company has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Securities Act, except any Permitted Free Writing Prospectus.

(xlvii) The Company has all requisite corporate power and authority to execute and deliver the Acquisition Agreement entered into by and among the Company, Cenntro Automotive Group Limited, a Cayman Islands company ("CAG"), Cenntro Automotive Group Limited, a Hong Kong company ("CAG HK"), Cenntro Automotive Corporation, a Delaware corporation ("CAC"), and Cenntro Electric Group, Inc., a Delaware corporation ("CEG" and, collectively with CAG HK and CAC, "Cenntro") (the "Acquisition Agreement") and all other agreements, documents, certificates and instruments required to be delivered pursuant to the Acquisition Agreement. The Company's execution, delivery and performance under the Acquisition Agreement and each of the transactions contemplated hereby have been duly authorized by all necessary corporate action. The Acquisition Agreement has been duly and validly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms, except (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) as enforceability of any indemnification or contribution provision may be limited under federal and state securities laws; and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(b) Any certificate signed by any officer of the Company and delivered to the Agent or the Agent's counsel shall be deemed a representation and warranty by the Company to Agent as to the matters covered thereby.

(c) At each Bringdown Date (as hereinafter defined) and each Time of Sale, the Company shall be deemed to have affirmed each representation and warranty contained in or made pursuant to this Agreement in all material respects as of such date as though made at and as of such date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares on such date, and except that representations and warranties made as of a specific date shall be deemed to be affirmed in all material respects as of such specific date).

(d) As used in this Agreement, references to matters being "***material***" with respect to the Company shall mean a material event, change, condition, status or effect related to the condition (financial or otherwise), properties, assets (including intangible assets), liabilities, business, prospects, operations or results of operations of the Company, either individually or taken as a whole, as the context requires.

2. ***Purchase, Sale and Delivery of Shares***.

(a) *At the Market Sales*. On the basis of the representations, warranties and agreements herein the Company agrees that, from time to time following the effective date of the Registration Statement on the terms and subject to the conditions set forth herein, it may issue and sell through the Agent, acting as sales agent, Shares having an aggregate offering price of up to $300,000,000 (the "***Offering Size***"); provided, however, that in no event shall the Company issue or sell through the Agent such number of Shares that (a) exceeds the number or dollar amount of Ordinary Shares registered on the Registration Statement pursuant to which the Offering is being made, or (b) would cause the Company or the Offering to not satisfy the eligibility and transaction requirements for use of Form F-3 (including, if then applicable, General Instruction I.B.5 of Form F-3) (the lesser of (a) and (b), the "***Maximum Amount***"). Notwithstanding anything to the contrary contained herein, the parties hereto agree that compliance with the limitations set forth in this Section 2(a) on the number and aggregate sales price of Shares issued and sold under this Agreement shall be the sole responsibility of the Company and the Agent shall have no obligation in connection with such compliance. Notwithstanding the foregoing, the Company agrees that it will provide the Agent with written notice no less than one (1) Business Day prior to the date on which it makes the initial sale of Shares under this Agreement. "***Business Day***", as used herein, shall mean any day other than Saturday, Sunday or other day on which commercial banks in The City of New York, Sydney, Australia or Auckland, New Zealand are authorized or required by law to remain closed; provided that banks shall not be deemed to be authorized or obligated to be closed due to a "shelter in place," "non-essential employee" or similar closure of physical branch locations at the direction of any governmental authority if such banks' electronic funds transfer systems (including for wire transfers) are open for use by customers on such day. For the avoidance of doubt, the Company and Agent acknowledge and agree that no sales shall be made pursuant to this Agreement until such time as the Registration Statement has been declared effective by the Commission.

(i) For purposes of selling the Shares through the Agent, the Company hereby appoints the Agent as exclusive agent of the Company (including in the event the Company increases the Offering Size) for the purpose of soliciting purchases of the Shares from the Company pursuant to this Agreement and the Agent agrees to use its commercially reasonable efforts to sell the Shares on the terms and subject to the conditions stated herein.

(ii) Each time the Company wishes to issue and sell the Shares hereunder (each, a "***Transaction***"), it will notify the Agent by telephone (confirmed promptly by e-mail to the appropriate individual listed on Schedule D hereto, using a form substantially similar to that set forth on Schedule C hereto) (a "***Transaction Notice***") as to the maximum number of Shares to be sold by the Agent on such day and in any event not in excess of the amount available for issuance under the Prospectus and the currently effective Registration Statement, the time period during which sales are requested to be made, any limitation on the number of shares that may be sold in any one Trading Day (as defined below), and any minimum price below which sales may not be made. The Transaction Notice shall originate from any of the individuals from the Company set forth on Schedule B (with a copy to each of the other individuals from the Company listed on such Schedule), and shall be addressed to each of the individuals from the Agent set forth on Schedule D, as such Schedule D may be amended from time to time. Subject to the terms and conditions hereof and unless the sale of the Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement, the Agent shall promptly acknowledge the Transaction Notice by e-mail (or by some other method mutually agreed to in writing by the parties) and shall use its commercially reasonable efforts to sell all of the Shares so designated by the Company in the Transaction Notice and in accordance with the terms set forth herein; provided, however, that any obligation of the Agent to use such commercially reasonable efforts shall be subject to the continuing accuracy of the representations and warranties of the Company herein, to the performance by the Company of its obligations hereunder and to the continuing satisfaction of the additional conditions specified in Section 4 of this Agreement. The gross sales price of the Shares sold under this Section 2(a) shall be equal to the market price for the Ordinary Shares sold by the Agent under this Section 2(a) on the Exchange at the time of such sale. For the purposes hereof, "***Trading Day***" means any day on which Ordinary Shares are purchased and sold on the principal market on which the Ordinary Shares are listed or quoted.

(iii) The Company or the Agent may, upon notice to the other party hereto by telephone (confirmed promptly by e-mail to the respective individuals of the other party set forth on Schedule D hereto, which confirmation shall be promptly acknowledged by the other party), suspend the Offering for any reason and at any time, whereupon the Agent shall so suspend the offering of Shares until further notice is provided by the other party to the contrary; *provided*, *however*, that such suspension or termination shall not affect or impair the parties' respective obligations with respect to the Shares sold hereunder prior to the receipt by the Agent of such notice. Each of the parties agrees that no such notice under this Section 2(a)(iii) shall be effective against the other unless it is made to one of the individuals named on Schedule D hereto, as such Schedule may be amended from time to time.

(iv) The Company acknowledges and agrees that (A) there can be no assurance that the Agent will be successful in selling the Shares, (B) the Agent will incur no liability or obligation to the Company or any other person or entity if it does not sell Shares for any reason other than a failure by the Agent to use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Shares as required under this Agreement, and (C) the Agent shall be under no obligation to purchase shares on a principal basis pursuant to this Agreement.

(v) The Agent may sell Shares by any method permitted by law to be an "at-the-market offering" as defined in Rule 415 of the Securities Act including without limitation sales made directly on the Exchange, on any other existing trading market for the Ordinary Shares or to or through a market maker. With the prior written consent of the Company, which may be provided in a Transaction Notice, the Agent may also sell Shares in privately negotiated transactions.

(vi) The compensation to the Agent for sales of the Shares, as an agent of the Company, shall be 3.0% of the gross sales price of all Shares sold pursuant to this Section 2(a) (the "***Transaction Fee***"). The remaining proceeds, after further deduction for any transaction or other fees imposed by any governmental or self-regulatory organization in respect of such sales, shall constitute the net proceeds to the Company for such Shares (the "***Net Proceeds***"). The Agent shall notify the Company as promptly as practicable if any deduction referenced in the preceding sentence will be required.

(vii) The Agent shall provide written confirmation to the Company following the close of trading on the Exchange each day in which the Shares are sold under this Section 2(a) setting forth the number of the Shares sold on such day, the aggregate gross sale proceeds, the Net Proceeds to the Company, and the compensation payable by the Company to the Agent with respect to such sales.

(viii) All Shares sold pursuant to this Section 2(a) will be delivered by the Company to Agent for the accounts of the Agent on the second full Trading Day following the date on which such Shares are sold, or at such other time and date as Agent and the Company determine pursuant to Rule 15c6-1(a) under the Exchange Act, each such time and date of delivery being herein referred to as a "***Settlement Date***." On each Settlement Date, the Shares sold through the Agent for settlement on such date shall be issued and delivered by the Company to the Agent against payment of the Net Proceeds from the sale of such Shares. Settlement for all such Shares shall be effected by free delivery of the Shares by the Company or its transfer agent (i) to the Agent or its designee's account (provided the Agent shall have given the Company written notice of such designee prior to the Settlement Date) at The Depository Trust Company ("***DTC***") or (ii) by such other means of delivery as may be mutually agreed upon by the parties hereto, which in all cases shall be freely tradable, transferable, registered shares in good deliverable form, in return for payment in same day funds delivered to an account designated by the Company. If the Company or its transfer agent (if applicable) shall default on its obligation to deliver the Shares on any Settlement Date, the Company shall (A) indemnify and hold the Agent harmless against any loss, claim or damage arising from or as a result of such default by the Company and (B) pay the Agent any commission to which it would otherwise be entitled absent such default. If the Agent breaches this Agreement by failing to deliver the Net Proceeds on any Settlement Date for the shares delivered by the Company, the Agent will pay the Company interest based on the effective prime rate until such proceeds, together with such interest, have been fully paid.

(ix) Under no circumstances shall the Company cause or request the offer or sale of any Shares if, after giving effect to the sale of such Shares, the aggregate gross sales proceeds sold pursuant to this Agreement would exceed the lesser of (A) together with all sales of Shares under this Agreement, the Maximum Amount, (B) the amount available for offer and sale under the currently effective Registration Statement and (C) the amount authorized from time to time to be issued and sold under this Agreement by the Board, a duly authorized committee thereof or a duly authorized executive committee, and the Agent has been so notified in writing. Under no circumstances shall the Company cause or request the offer or sale of any Shares at a price lower than the minimum price authorized from time to time by the Board, duly authorized committee thereof or a duly authorized executive committee, and notified to the Agent in writing. Further, under no circumstances shall the aggregate offering amount of Shares sold pursuant to this Agreement exceed the Maximum Amount.

(b) Nothing herein contained shall constitute the Agent to be in an unincorporated association with, or a partner of, the Company. Under no circumstances shall any Shares be sold pursuant to this Agreement after the date which is three years after the Registration Statement was first declared effective by the Commission.

(c) Notwithstanding any other provisions of this Agreement, the Company agrees that no sale of Shares shall take place, and the Company shall not request the sale of any Shares, and the Agent shall not be obligated to sell, during any period in which the Company is, or could be deemed to be, in possession of material non-public information.

(d) Unless the exceptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are satisfied with respect to the Shares, the Company shall give the Agent at least one Business Day's prior notice of its intent to sell any Shares in order to allow the Agent time to comply with Regulation M.

3. ***Covenants***. The Company covenants and agrees with the Agent as follows:

(a) After the date hereof and at all times during which a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with any sale of Shares (the "***Prospectus Delivery Period***"), prior to amending or supplementing the Registration Statement (including any Rule 462(b) Registration Statement), the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus related to changes in this Agreement, the Company shall furnish to the Agent for review a copy of each such proposed amendment or supplement, allow the Agent a reasonable amount of time to review and comment on such proposed amendment or supplement, and the Company shall not file any such proposed amendment or supplement to which the Agent or counsel to the Agent reasonably object; provided that the foregoing shall not apply with regards to the filing by the Company of any Form 20-F, 6-K or other Incorporated Document. Subject to this Section 3(a), immediately following execution of this Agreement, if not previously prepared, the Company will prepare a prospectus supplement describing the selling terms of the Shares hereunder, the plan of distribution thereof and such other information as may be required by the Securities Act or the Rules and Regulations or as the Agent and the Company may deem appropriate, and if requested by the Agent, a Permitted Free Writing Prospectus containing the selling terms of the Shares hereunder and such other information as the Company and the Agent may deem appropriate, and will file or transmit for filing with the Commission, in accordance with Rule 424(b) or Rule 433, as the case may be, copies of the Prospectus as supplemented and each such Permitted Free Writing Prospectus.

(b) After the date of this Agreement, the Company shall promptly advise the Agent in writing (i) of the receipt of any comments of, or requests for additional or supplemental information from, the Commission or for any amendments or supplements to the Registration Statement, the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus (excluding any Incorporated Documents), (ii) of the time and date of any filing of any pre-effective or post-effective amendment to the Registration Statement or any amendment or supplement to any Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus (excluding any Incorporated Documents), (iii) of the time and date that the Registration Statement and any post-effective amendment to the Registration Statement becomes effective, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or of any order preventing or suspending its use or the use of any Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus, or (v) of any proceedings to remove, suspend or terminate from listing or quotation the Ordinary Shares from any securities exchange upon which it is listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order at the earliest possible moment. Additionally, the Company agrees that it shall comply with the provisions of Rules 424(b), 430B and 430C, as applicable, under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under Rule 424(b), Rule 433 or Rule 462 were received in a timely manner by the Commission (without reliance on Rule 424(b)(8) or Rule 164(b)).

(c) From the date hereof through the later of (A) the termination of this Agreement and (B) the end of any applicable Prospectus Delivery Period, the Company will comply in all material respects with all requirements imposed upon it by the Securities Act, as now and hereafter amended, and by the Rules and Regulations, as from time to time in force, and by the Exchange Act so far as necessary to permit the continuance of sales of or dealings in the Shares as contemplated by the provisions hereof, the Base Prospectus, the Prospectus and any Permitted Free Writing Prospectus. If during any applicable Prospectus Delivery Period any event occurs as a result of which the Base Prospectus, the Prospectus, or any Permitted Free Writing Prospectus would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during any applicable Prospectus Delivery Period it is necessary or appropriate in the opinion of the Company or its counsel or in the reasonable opinion of the Agent or counsel to the Agent to amend the Registration Statement or supplement the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus, to comply with the Securities Act or to file under the Exchange Act any document which would be deemed to be incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act, the Company will promptly notify Agent (or the Agent will notify the Company, as applicable), and the Agent shall suspend the offering and sale of any such Shares, and the Company will amend the Registration Statement or supplement the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus or file such document (at the expense of the Company) so as to correct such statement or omission or effect such compliance within the time period prescribed by the Securities Act or the Exchange Act.

(i) In case the Agent is required to deliver (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), in connection with the sale of the Shares, a Prospectus after the nine-month period referred to in Section 10(a)(3) of the Securities Act, or after the time a post-effective amendment to the Registration Statement is required pursuant to Item 512(a) of Regulation S-K under the Securities Act, the Company will prepare, at its expense, promptly upon request such amendment or amendments to the Registration Statement and the Prospectus as may be necessary to permit compliance with the requirements of Section 10(a)(3) of the Securities Act or Item 512(a) of Regulation S-K under the Securities Act, as the case may be. The Company shall cause each amendment or supplement to any Base Prospectus or the Prospectus to be filed with the Commission as required pursuant to the applicable paragraph of Rule 424(b) of the Securities Act or, in the case of any document which would be deemed to be incorporated by reference therein, to be filed with the Commission as required pursuant to the Exchange Act, within the time period prescribed. The Company shall promptly notify the Agent if any material obligation, agreement or condition contained in any bond, debenture, note, indenture, loan agreement, mortgage, deed of trust or any other material contract, lease or other instrument to which it is subject or by which any of them may be bound, or to which any of the material property or assets of the Company or any of its Subsidiaries is subject (each a "***Material Contract***") is terminated or if the other party thereto gives written notice of its intent to terminate any such contract (other than in connection with the expiration of any such Material Contract).

(ii) If at any time following issuance of a Permitted Free Writing Prospectus there occurs an event or development as a result of which such Permitted Free Writing Prospectus would conflict with the information contained in the Registration Statement, the Base Prospectus or the Prospectus, or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company promptly will notify the Agent and will promptly amend or supplement, at its own expense, such Permitted Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(d) The Company shall use commercially reasonable efforts to take or cause to be taken all necessary action to qualify the Shares for sale under the securities laws of such jurisdictions as Agent reasonably designates and to continue such qualifications in effect, if and for so long as required for the distribution of the Shares, except that the Company shall not be required in connection therewith to qualify as a foreign corporation or to execute a general consent to service of process in any state. The Company shall promptly advise the Agent of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(e) The Company will furnish to the Agent and counsel for the Agent, to the extent requested, copies of the Registration Statement, the Base Prospectus, the Prospectus, any Permitted Free Writing Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Agent may from time to time reasonably request.

(f) The Company will make generally available to its security holders as soon as practicable an earnings statement (which need not be audited) covering a 12-month period that shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Rules and Regulations. If the Company makes any public announcement or release disclosing its results of operations or financial condition for a completed quarterly, semi-annual or annual fiscal period (each, an "***Earnings Release***") and the Company has not yet filed an Annual Report on Form 20-F for such annual fiscal period or a Form 6-K containing unaudited financial statements for such quarterly or semi-annual fiscal period, as applicable, then, prior to any sale of Shares, the Company shall be obligated to (x) file a prospectus supplement with the Commission under the applicable paragraph of Rule 424(b), which prospectus supplement shall include the applicable financial information or (y) file a Report on Form 6-K, which Form 6-K shall include the applicable financial information.

(g) The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay or cause to be paid (i) all expenses (including stock or transfer taxes and stamp or similar duties allocated to the respective transferees) incurred in connection with the registration, issue, sale and delivery of the Shares, (ii) all reasonable expenses and fees (including, without limitation, fees and expenses of the Company's accountants and counsel) in connection with the preparation, printing, filing, delivery, and shipping of the Registration Statement (including the financial statements therein and all amendments, schedules, and exhibits thereto), the Base Prospectus, each Prospectus, any Permitted Free Writing Prospectus, and any amendment thereof or supplement thereto, and the producing, word-processing, printing, delivery, and shipping of this Agreement and other closing documents, including blue sky memoranda (covering the states and other applicable jurisdictions) and including the cost to furnish copies of each thereof to the Agent, (iii) all filing fees, (iv) listing fees, if any, (v) [*intentionally omitted*], and (vi) all other costs and expenses of the Company incident to the performance of its obligations hereunder that are not otherwise specifically provided for herein (including the costs and expenses related to any investor presentations or "roadshow" undertaken in connection with marketing of the Shares as agreed to by the Company). The Company shall reimburse the Agent upon request for its actual, reasonable and documented costs and out-of-pocket expenses incurred in connection with this Agreement, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, including the actual, reasonable and documented fees and out-of-pocket expenses of its legal counsel, up to an aggregate of $30,000. In addition, the Company shall pay the Agent up to $5,000 for the reasonable and documented fees and out-of-pocket expenses of its legal counsel in connection with each Bringdown Date (other than a Bringdown Date that is waived).

(h) The Company will apply the net proceeds from the sale of the Shares in the manner set forth under the caption "Use of Proceeds" in the Base Prospectus, the Prospectus, and any Permitted Free Writing Prospectus.

(i) During each period commencing on the date of each Transaction Notice and ending after the close of business on the Settlement Date for the related transactions covered by such Transaction Notice, the Company will not offer for sale, sell, contract to sell, pledge, grant any option for the sale of, enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any Subsidiary, or otherwise issue or dispose of, directly or indirectly (or publicly disclose the intention to make any such offer, sale, pledge, grant, issuance or other disposition), of any Ordinary Shares or any securities convertible into or exchangeable for, or any options or rights to purchase or acquire, Ordinary Shares, or permit the registration under the Securities Act of any Ordinary Shares, such securities, options or rights, except for (i) the registration of the Shares and the sales through the Agent pursuant to this Agreement, (ii) the issuance of securities issuable upon exercise, exchange or conversion of any options, convertible preferred stock, convertible notes and warrants that are outstanding as of the date of this Agreement, or under the Acquisition Agreement, and described in the Registration Statement and the Prospectus, (iii) a registration statement on Form S-8 relating to employee benefit plans and (iv) the issuance of securities pursuant to any employee stock incentive plan, stock ownership plan or employee stock purchase plan of the Company in effect at the time of this Agreement or any compensatory inducement grants made by the Company and approved by the Board consistent with past practice.

(j) The Company shall not, at any time at or after the execution of this Agreement, offer or sell any of the Shares pursuant to this Agreement by means of any "prospectus" (within the meaning of the Securities Act), or use any "prospectus" (within the meaning of the Securities Act) in connection with the offer or sale of the Shares pursuant to this Agreement, in each case other than the Prospectus or any Permitted Free Writing Prospectus.

(k) The Company has not taken and will not take, directly or indirectly, any action designed to or which might reasonably be expected to cause or result in, or which has constituted, (i) the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares or (ii) a violation of Regulation M. The Company shall notify the Agent of any violation of Regulation M by the Company or any of its officers or directors promptly after the Company has received notice or obtained knowledge of any such violation.

(l) The Company will not incur any liability for any finder's or broker's fee or agent's commission in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby or thereby, except as contemplated herein.

(m) During any applicable Prospectus Delivery Period, the Company will file on a timely basis with the Commission such periodic and current reports as required by the Rules and Regulations.

(n) The Company has maintained, and will maintain such controls and procedures, including without limitation those required by Sections 302 and 906 of Sarbanes-Oxley and the applicable regulations thereunder, that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and its principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure, to ensure that material information relating to Company is made known to them by others within those entities.

(o) [*Intentionally omitted*.]

(p) Each of the Company and Agent hereby represent and agree that, neither the Company nor the Agent has made nor will make any offer relating to the Shares that would constitute an "issuer free writing prospectus," as defined in Rule 433 under the Securities Act, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405 under the Securities Act, required to be filed with the Commission other than a Permitted Free Writing Prospectus. The Company represents that it has treated or agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely Commission filing where required, legending and record keeping.

(q) (1) On or prior to the date of the first Transaction Notice delivered hereunder, the Company shall cause (A) Graubard Miller, U.S. counsel for the Company, to furnish to the Agent its written opinion and negative assurance letter, in form and substance reasonably acceptable to Agent's counsel and (B) Mills Oakley, Australian counsel for the Company, to furnish to the Agent its written opinion, in form and substance reasonably acceptable to Agent's counsel.

(2) On each date that the Company (i) amends or supplements the Registration Statement or the Prospectus (other than by means of incorporation by reference); (ii) files an annual report on Form 20-F under the Exchange Act; (iii) files a report on Form 6-K under the Exchange Act containing quarterly or semi-annual financial statements; or (iv) files a report on Form 6-K under the Exchange Act containing amended financial information (each of such date referred to herein as a "***Bringdown Date***"), the Company shall cause (A) Graubard Miller, U.S. counsel for the Company, to furnish to the Agent its opinion and negative assurance letter, in form and substance reasonably acceptable to Agent's counsel and (B) Mills Oakley, Australian counsel for the Company, to furnish to the Agent its written opinion, in form and substance reasonably acceptable to Agent's counsel, each dated as of a date within ten (10) days after the applicable Bringdown Date, addressed to the Agent and modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such opinions. With respect to this Section 3(q)(2), in lieu of delivering such opinions or letters for Bringdown Dates subsequent to the date of effectiveness of the Registration Statement, such counsel may furnish agent with a letter (a "***Reliance Letter***") to the effect that Agent may rely upon a prior opinion or letter delivered under Section 3(q)(1) or this Section 3(q)(2) to the same extent as if it were dated the date of such letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented as of the date of Reliance Letter). Provided, however, the requirement to provide opinions and letters under this Section 3(q)(2) is hereby waived for any Bringdown Date occurring at a time at which no Transaction Notice is pending, which waiver shall terminate as of the date the Company delivers a Transaction Notice hereunder prior to the next occurring Bringdown Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Bringdown Date when the Company relied on such waiver and did not provide Agent with opinions and letters under this Section 3(q)(2), then before the Company delivers the Transaction Notice or Agent sells any Shares, the Company shall cause each of Graubard Miller to furnish to the Agent a written opinion and negative assurance letter, and Mills Oakley to furnish the Agent a written opinion dated the date of the Transaction Notice.

(r) Prior to the delivery of the first Transaction Notice hereunder and within five (5) days after each Bringdown Date, the Company shall cause the Auditor, or other independent accountants satisfactory to the Agent, to deliver to the Agent (x) a customary comfort letter (the initial letter, the "***Initial Comfort Letter***," and each subsequent letter, a "***Bringdown Comfort Letter***") addressed to Agent, in form and substance satisfactory to Agent, confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualifications of accountants under Rule 2-01 of Regulation S-X of the Commission, and stating the conclusions and findings of said firm with respect to the financial information and other matters and (y) a letter updating the Initial Comfort Letter with any information that would have been included in the Initial Comfort Letter had it been given on such date and as modified as necessary to relate to the date of such letter. Provided, however, the requirement to provide a Bringdown Comfort Letter under this Section 3(r) is hereby waived for any Bringdown Date occurring at a time at which no Transaction Notice is pending, which waiver shall terminate as of the date the Company delivers a Transaction Notice hereunder prior to the next occurring Bringdown Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Bringdown Date when the Company relied on such waiver and did not provide Agent with a Bringdown Comfort Letter under this Section 3(r), then before the Company delivers the Transaction Notice or Agent sells any Shares, the Company shall cause the Auditor, or other independent accountants satisfactory to the Agent, to deliver to the Agent a Bringdown Comfort Letter dated the date of the Transaction Notice.

(s) Prior to the delivery of the first Transaction Notice hereunder and within five (5) days after each Bringdown Date, the Company shall cause Marcum Bernstein & Pinchuk LLP, the independent registered public accounting firm for Cenntro, or other independent accountants satisfactory to the Agent, to deliver to the Agent (x) a customary comfort letter (the initial letter, the "***Initial Cenntro Comfort Letter***," and each subsequent letter, a "***Bringdown Cenntro Comfort Letter***") addressed to Agent, in form and substance satisfactory to Agent, confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualifications of accountants under Rule 2-01 of Regulation S-X of the Commission, and stating the conclusions and findings of said firm with respect to certain financial information and other matters and (y) a letter updating the Initial Cenntro Comfort Letter with any information that would have been included in the Initial Cenntro Comfort Letter had it been given on such date and as modified as necessary to relate to the date of such letter. Provided, however, the requirement to provide a Bringdown Cenntro Comfort Letter under this Section 3(s) is hereby waived for any Bringdown Date occurring at a time at which no Transaction Notice is pending, which waiver shall terminate as of the date the Company delivers a Transaction Notice hereunder prior to the next occurring Bringdown Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Bringdown Date when the Company relied on such waiver and did not provide Agent with a Bringdown Cenntro Comfort Letter under this Section 3(s), then before the Company delivers the Transaction Notice or Agent sells any Shares, the Company shall cause Marcum Bernstein & Pinchuk LLP, or other independent accountants satisfactory to the Agent, to deliver to the Agent a Bringdown Cenntro Comfort Letter dated the date of the Transaction Notice.

(t) On or prior to the date of the first Transaction Notice delivered hereunder and each Bringdown Date, the Company shall furnish to the Agent an officer's certificate, dated as of a date within five (5) days after the applicable Bringdown Date and addressed to Agent, signed by the chief executive officer and by the chief financial officer of the Company, to the effect that:

(i) The representations and warranties of the Company in this Agreement are true and correct in all material respects as if made at and as of the date of the certificate (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares on such date, and except that representations and warranties made as of a specific date are true and correct in all material respects as of such specific date), and the Company has complied in all material respects with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date of the certificate;

(ii) No stop order or other order suspending the effectiveness of the Registration Statement or any part thereof or any amendment thereof or the qualification of the Shares for offering or sale or notice that would prevent use of the Registration Statement, nor suspending or preventing the use of the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus, has been issued, and no proceeding for that purpose has been instituted or, to the best of their knowledge, is contemplated by the Commission or any state or regulatory body;

(iii) The Shares to be sold on that date have been duly and validly authorized by the Company and all corporate action required to be taken for the authorization, issuance and sale of the Shares on that date has been validly and sufficiently taken;

(iv) Subsequent to the respective dates as of which information is given in the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus, as amended and supplemented, and except for pending transactions disclosed therein, the Company has not incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions, not in the ordinary course of business, or declared or paid any dividends or made any distribution of any kind with respect to its capital stock, and there has not been any material change in the capital stock or any material issuance of options, warrants, convertible securities or other rights to purchase the capital stock (other than as a result of the exercise of any currently outstanding options, warrants, preferred stock and notes that are disclosed in the Registration Statement or the Prospectus or the issuance of securities pursuant to the Company's equity incentive plans or employee stock purchase plans described in the Registration Statement or the Prospectus), or any material change in the short-term or long-term debt, of the Company, or any Material Adverse Effect or any development that would reasonably be likely to result in a Material Adverse Effect (whether or not arising in the ordinary course of business), or any material loss by strike, fire, flood, earthquake, accident or other calamity, whether or not covered by insurance, incurred by the Company; and

(v) Except as stated in the Prospectus and any Permitted Free Writing Prospectus, as amended and supplemented, there is not pending, or, to the knowledge of the Company, threatened or contemplated, any action, suit or proceeding to which the Company is a party before or by any court or governmental agency, authority or body, or any arbitrator, which would reasonably be likely to result in any Material Adverse Effect; provided, however, the requirement to provide a certificate under this Section 3(t) is hereby waived for any Bringdown Date occurring at a time at which no Transaction Notice is pending, which waiver shall continue until the earlier to occur of the date the Company delivers a Transaction Notice hereunder and the next occurring Bringdown Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Bringdown Date when the Company relied on such waiver and did not provide Agent with a certificate under this Section 3(t), then before the Company delivers the Transaction Notice or Agent sells any Shares, the Company shall provide Agent with a certificate dated the date of the Transaction Notice.

provided, however, the requirement to provide a certificate under this Section 3(t) is hereby waived for any Bringdown Date occurring at a time at which no Transaction Notice is pending, which waiver shall terminate as of the date the Company delivers a Transaction Notice hereunder prior to the next occurring Bringdown Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Bringdown Date when the Company relied on such waiver and did not provide Agent with a certificate under this Section 3(t), then before the Company delivers the Transaction Notice or Agent sells any Shares, the Company shall provide Agent with a certificate dated the date of the Transaction Notice.

(u) A reasonable time prior to each Bringdown Date, the Company, if so requested by the Agent, shall conduct a due diligence session, in form and substance, satisfactory to the Agent, which shall include representatives of the management and the accountants of the Company.

(v) The Company shall disclose in its annual report on Form 20-F and its reports on Form 6-K containing quarterly or semi-annual financial statements the number of Shares sold through the Agent under this Agreement, the Net Proceeds to the Company and the compensation paid by the Company with respect to sales of the Shares pursuant to this Agreement.

(w) The Company shall ensure that there are at all times sufficient Ordinary Shares to provide for the issuance, free of any preemptive rights, out of its authorized but unissued Ordinary Shares, of the maximum aggregate number of Shares authorized for issuance by the Board pursuant to the terms of this Agreement. The Company will use its reasonable best efforts to cause the Shares to be listed on the Exchange, and to maintain such listing. The Company shall cooperate with Agent and use its reasonable efforts to permit Shares to be eligible for clearance and settlement through the facilities of DTC.

(x) At any time during the term of this Agreement, the Company will advise the Agent promptly after it receives notice or obtains knowledge of any information or fact that would alter or affect any opinion, certificate, letter and other document provided to the Agent pursuant to Section 3.

(y) Subject to compliance with any applicable requirements of Regulation M under the Exchange Act and compliance with applicable securities laws, the Company consents to the Agent trading in the Ordinary Shares for the Agent's own account and for the account of its clients (in compliance with all applicable laws) at the same time as sales of the Shares occur pursuant to this Agreement.

(z) If to the knowledge of the Company, any condition set forth in Section 4 shall not have been satisfied on the applicable Settlement Date or will not be satisfied on or prior to the date required by this Agreement, the Company will offer to any person who has agreed to purchase the Shares on such Settlement Date from the Company as the result of an offer to purchase solicited by the Agent the right to refuse to purchase and pay for such Shares.

(aa) On or prior to the date of the first Transaction Notice delivered hereunder and each Bringdown Date, the Company shall furnish to the Agent an incumbency certificate, dated as of such date and addressed to Agent, signed by the secretary of the Company.

(bb) Each acceptance by the Company of an offer to purchase the Shares hereunder shall be deemed to be an affirmation to the Agent that the representations and warranties of the Company contained in or made pursuant to this Agreement are true and correct in all material respects as of the date of such acceptance as though made at and as of such date, and an undertaking that such representations and warranties will be true and correct in all material respects as of the Settlement Date for the Shares relating to such acceptance, as though made at and as of such date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares, and except that representations and warranties made as of a specific date are true and correct in all material respects as of such specific date).

(cc) During any period when the delivery of a prospectus relating to the Shares is required (including in circumstances where such requirement may be satisfied pursuant to Rule 172, 173 or any similar rule) to be delivered under the Securities Act, the Company will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Exchange Act and the regulations thereunder.

(dd) The Company shall cooperate with Agent and use its reasonable efforts to permit the Shares to be eligible for clearance and settlement through the facilities of DTC.

(ee) The Company will apply the Net Proceeds from the sale of the Shares in the manner set forth in the Prospectus.

(ff) Following the initial effective date of the Registration Statement, to the extent that the Registration Statement is not available for the sale of the Shares as contemplated by this Agreement, the Company shall file a new registration statement with respect to any additional Ordinary Shares necessary to complete such sales of the Shares and shall cause such registration statement to become effective as promptly as practicable. After the effectiveness of any such registration statement, all references to "Registration Statement" included in this Agreement shall be deemed to include such new registration statement, including all documents incorporated by reference therein pursuant to Item 6 of Form F-3, and all references to "Base Prospectus" included in this Agreement shall be deemed to include the final form of prospectus, including all documents incorporated therein by reference, included in any such registration statement at the time such registration statement became effective.

(gg) During the term of the Agreement, the Company will provide the Agent with prompt notice of any planned offering of its equity, equity-linked or debt securities to permit the Agent to determine if and when sales under the Agreement must be suspended. The Agent shall use its best efforts to provide consent to such planned offering within one (1) Business Day after receipt of such notice but in no event later than three (3) Business Days after receipt of such notice. The Company covenants and agrees that until the Agent has provided consent, the Company shall not commence any such planned offering, provided that after such three (3) Business Day period, the Company may proceed with such offering without the Agent's consent.

4. ***Conditions of Agent's Obligations***. The obligations of the Agent hereunder are subject to (i) the accuracy in all material respects of all representations and warranties of the Company contained herein, as of the date hereof, as of the date of the first Transaction Notice, each Bringdown Date, and each Time of Sale (in each case, as if made at such date, except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares on such date, and except that representations and warranties made as of a specific date shall be accurate in all material respects as of such specific date), (ii) the performance by the Company of its obligations hereunder and (iii) the following additional conditions:

(a) If filing of the Prospectus, or any amendment or supplement thereto, or any Permitted Free Writing Prospectus, is required under the Securities Act or the Rules and Regulations, the Company shall have filed the Prospectus (or such amendment or supplement) or such Permitted Free Writing Prospectus with the Commission in the manner and within the time period so required (without reliance on Rule 424(b)(8) or Rule 164(b)); the Registration Statement shall have become and remain effective; no stop order suspending the effectiveness of the Registration Statement or any part thereof, any Rule 462(b) Registration Statement, or any amendment thereof, nor suspending or preventing the use of the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus shall have been issued; no proceedings for the issuance of such an order shall have been initiated or threatened; and any request of the Commission for additional information (to be included in the Registration Statement, the Base Prospectus, the Prospectus, any Permitted Free Writing Prospectus or otherwise) shall have been complied with to the Agent's satisfaction.

(b) The Agent shall not have advised the Company that the Registration Statement, the Base Prospectus, the Prospectus, or any amendment or supplement thereto, or any Permitted Free Writing Prospectus, contains an untrue statement of fact which, in the Agent's opinion, is material, or omits to state a fact which, in the Agent's opinion, is material and is required to be stated therein or is necessary to make the statements therein (i) with respect to the Registration Statement, not misleading and (ii) with respect to the Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus, in light of the circumstances under which they were made, not misleading.

(c) Except as set forth or contemplated in the Prospectus and any Permitted Free Writing Prospectus, as amended and supplemented, subsequent to the respective dates as of which information is given therein, the Company shall not have incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions, not in the ordinary course of business, or declared or paid any dividends or made any distribution of any kind with respect to its capital stock, and there shall not have been any material change in the capital stock, or any material issuance of options, warrants, convertible securities or other rights to purchase the capital stock (other than as a result of the exercise of any currently outstanding options, preferred stock, notes or warrants that are disclosed in the Registration Statement or the Prospectus or the issuance of securities pursuant to the Company's equity incentive plans or employee stock purchase plans described in the Registration Statement or the Prospectus), or any material change in the short-term or long-term debt, of the Company, or any Material Adverse Effect or any development that would be reasonably likely to result in a Material Adverse Effect (whether or not arising in the ordinary course of business), or any material loss by strike, fire, flood, earthquake, accident or other calamity, whether or not covered by insurance, incurred by the Company, the effect of which, in any such case described above, in the Agent's judgment, makes it impractical or inadvisable to offer or deliver the Shares.

(d) The Company shall have performed each of its obligations under Section 3(q).

(e) The Company shall have performed each of its obligations under Section 3(r).

(f) The Company shall have performed each of its obligations under Section 3(s).

(g) FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(h) All filings with the Commission required by Rule 424 under the Securities Act to have been filed by the Settlement Date shall have been made within the applicable time period prescribed for such filing by Rule 424.

(i) The Company shall have furnished to Agent and the Agent's counsel such additional documents, certificates and evidence as they may have reasonably requested.

(j) Trading in the Ordinary Shares shall not have been suspended on the Exchange. The Shares shall have been listed and authorized for trading on the Exchange prior to the first Settlement Date, and satisfactory evidence of such actions shall have been provided to the Agent and its counsel, which may include oral confirmation from a representative of the Exchange.

(k) On the date of the first Placement Notice and thereafter on each Bringdown Date, Ellenoff Grossman & Schole LLP, counsel for the Agent, shall not have reasonably determined that the Base Prospectus, the Prospectus, or any Permitted Free Writing Prospectus, as of such date, includes an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading.

All such opinions, certificates, letters and other documents will be in compliance with the provisions hereof only if they are reasonably satisfactory in form and substance to Agent and the Agent's counsel. The Company will furnish Agent with such conformed copies of such opinions, certificates, letters and other documents as Agent shall reasonably request.

5. ***Indemnification and Contribution***.

(a) The Company agrees to indemnify and hold harmless the Agent and each of the other Indemnified Parties (as defined below) from and against any losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses and disbursements, and any and all actions suits proceedings and investigations in respect thereof and any and all legal and other costs, expenses and disbursements in giving testimony or furnishing documents in response to subpoena or otherwise (including, without limitation, the costs, expenses and disbursements, as and when incurred, of investigating, preparing, pursuing or defending any such action, suit, proceeding or investigation (whether or not in connection with litigation in which any Indemnified Party is a party)) (collectively, "***Losses***"), directly or indirectly, caused by, relating to, based upon, arising out of, or in connection with this Agreement, including, without limitation, any act or omission by the Agent in connection with its acceptance of or the performance or non-performance of its obligations under the Agreement, any breach by the Company of any representation, warranty, covenant or agreement contained in the Agreement (or in any instrument, document or agreement relating thereto, including any agency agreement), or the enforcement by the Agent of its rights under the Agreement or these indemnification provisions, except to the extent that any such Losses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the gross negligence or willful misconduct of the Indemnified Party seeking indemnification hereunder. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with this Agreement for any other reason, except to the extent that any such liability is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct This indemnity agreement will be in addition to any liability that the Company otherwise might have.

(i) These indemnification provisions shall extend to the following persons (collectively, the "***Indemnified Parties***"): the Agent, its present and former affiliated entities, managers, members, officers, employees, legal counsel, agents and controlling persons (within the meaning of the federal securities laws), and the officers, directors, partners, stockholders, members, managers, employees, legal counsel, agents and controlling persons of any of them. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to any Indemnified Party.

(ii) If any action, suit, proceeding or investigation is commenced, as to which an Indemnified Party proposes to demand indemnification, it shall notify the Company with reasonable promptness; provided, however, that any failure by an Indemnified Party to notify the Company shall not relieve the Company from its obligations hereunder except to the extent that the Company is actually and materially prejudiced by such failure to notify. If the Company so elects or is requested by the Agent, the Company will assume the defense of such action or proceeding and will employ counsel reasonably satisfactory to the Agent and will pay the fees, expenses and disbursements of such counsel. An Indemnified Party may employ counsel to participate in the defense of any such action; provided, that the employment by such Indemnified Party of such counsel shall be at the Indemnified Party's own expense, unless (i) counsel for the Agent reasonably determines that it would be inappropriate under the applicable rules of professional responsibility for the same counsel to represent both the Company and the Indemnified Person, (ii) the defendants include both the Indemnified Persons and the Company and the Agent reasonably concludes that there may be legal defenses available to the Indemnified Persons that are different from or in addition to those available to the Company, or (iii) the Company has not in fact employed counsel reasonably satisfactory to the Indemnified Party to assume the defense of such action or proceeding within a reasonable time after receiving notice of the action or proceeding, in each of which cases the reasonable fees, expenses and disbursements of one firm representing the Indemnified Parties (unless the defense of one Indemnified Party is unique or separate from that of another Indemnified Party subject to the same action or proceeding) will be at the expense of the Company. In the event the Company assumes the defense of such action or proceeding, the Agent shall cooperate, and shall cause the Indemnified Parties and any such counsel, to the extent consistent with its professional responsibilities, to cooperate, with the Company and any counsel designated by the Company. The Company shall be liable for any settlement of any claim against any Indemnified Party made with the Company's written consent. The Company shall not, without the prior written consent of the Agent, settle or compromise any claim, or permit a default or consent to the entry of any judgment in respect thereof, unless such settlement, compromise or consent (i) includes, as an unconditional term thereof, the giving by the claimant to all of the Indemnified Parties of an unconditional release from all liability in respect of such claim, and (ii) does not contain any factual or legal admission by or with respect to an Indemnified Party or an adverse statement with respect to the character, professionalism, expertise or reputation of any Indemnified Party or any action or inaction of any Indemnified Party.

(b) (i) The Agent will indemnify and hold harmless the Company and its affiliates and directors and each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (the "***Company Indemnified Parties***") from and against any Losses to which the Company or the Company Indemnified Parties may become subject, under the Securities Act or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Agent), insofar as such Losses (or actions in respect thereof) arise out of or are based upon an untrue statement or omission or alleged untrue statement or omission of a material fact contained in the Registration Statement, any Base Prospectus, the Prospectus, or any amendment or supplement thereto or any Permitted Free Writing Prospectus, to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Base Prospectus, the Prospectus, or any amendment or supplement thereto, or any Permitted Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by Agent expressly for use in the preparation thereof, it being understood and agreed that the only information furnished by the Agent consists of the information described as such in Section 5(b)(ii). (ii) The Agent confirms and the Company acknowledges that as of the date hereof no information has been furnished in writing to the Company by or on behalf of the Agent specifically for inclusion in the Registration Statement, any Base Prospectus, the Prospectus or any Permitted Free Writing Prospectus, other than information about the Agent included in the Prospectus Supplement under the heading "Plan of Distribution".

(c) In order to provide for just and equitable contribution, if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, then the indemnifying party shall contribute to the Losses to which any indemnified party may be subject (i) in accordance with the relative benefits received by the indemnifying party and its stockholders, Subsidiaries and affiliates, on the one hand, and the indemnified party, on the other hand, and (ii) if (and only if) the allocation provided in clause (i) of this sentence is not permitted by applicable law, in such proportion as to reflect not only the relative benefits, but also the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other hand, in connection with the statements, acts or omissions which resulted in such Losses as well as any relevant equitable considerations. No person found liable for a fraudulent misrepresentation shall be entitled to contribution from any person who is not also found liable for fraudulent misrepresentation. The relative benefits received (or anticipated to be received) by the Company shall be deemed to be equal to the aggregate consideration payable or receivable by such parties in connection with the transaction or transactions to which the Agreement relates relative to the amount of fees actually received by the Agent in connection with such transaction or transactions. Notwithstanding the foregoing, in no event shall the amount contributed by all Indemnified Parties exceed the amount of fees previously received by the Agent pursuant to the Agreement.

(d) Neither the termination of this Agreement nor completion of the Offering shall affect these indemnification provisions, which shall remain operative and in full force and effect. The indemnification provisions shall be binding upon the Company and the Agent and their respective successors and assigns and shall inure to the benefit of the Indemnified Parties and the Company Indemnified Parties and their respective successors, assigns, heirs and personal representatives.

6. ***Representations and Agreements to Survive Delivery***. All representations and warranties of the Company herein or in certificates delivered pursuant hereto, and agreements of the Agent and the Company herein, including but not limited to the agreements of the Agent and the Company contained in Section 5, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Agent or any controlling person thereof, or the Company or any of its officers, directors, or controlling persons, and shall survive delivery of, and payment for, the Shares to and by the Agent hereunder.

7. ***Termination of this Agreement***. The term of this Agreement shall begin on the date hereof, and shall continue until the earlier of (i) the sale of Shares having an aggregate offering price of $300,000,000 or (ii) the termination by either the Agent or the Company upon the provision of ten (10) days written notice. Any such termination by mutual agreement shall in all cases be deemed to provide that Section 3(g), Section 5 and Section 6 shall remain in full force and effect. Notwithstanding the foregoing, the Agent shall have the right, in its sole discretion, to terminate this Agreement if at any time from the date of this Agreement to the effectiveness of the Registration Statement, the Agent is not fully satisfied, in its sole discretion, with the results of its and its representatives' review of the Company and the Company's business.

8. ***Default by the Company***. If the Company shall fail at any Settlement Date to sell and deliver the number of Shares which it is obligated to sell hereunder, then the Agent may terminate this Agreement immediately without any liability on the part of the Agent or, except as provided in Section 3(g), any non-defaulting party. No action taken pursuant to this Section 8 shall relieve the Company from liability, if any, in respect of such default, and the Company shall (A) hold the Agent harmless against any loss, claim or damage arising from or as a result of such default by the Company and (B) pay the Agent any commission to which it would otherwise be entitled absent such default.

9. ***Notices***. Except as otherwise provided herein, all communications under this Agreement shall be in writing and, if to the Agent, shall be mailed, delivered or emailed to Maxim Group LLC, 405 Lexington Avenue, New York, New York 10174, Attention: Clifford A. Teller and James Siegel, email: cteller@maximgrp.com and/or jsiegel@maximgrp.com, with a required copy (which shall not constitute notice) to Ellenoff Grossman & Schole LLP, counsel for the Agent, at 1345 Avenue of the Americas, New York, New York 10105 Attention: Sarah Williams, Esq., email: swilliams@egsllp.com. Notices to the Company shall be given to it at Naked Brand Group Limited, c/o Bendon Limited, 8 Airpark Drive, Airport Oaks, Auckland 2022, New, Zealand, Attention: Justin Davis-Rice, email: justin.davis@bendon.com, with required copies (which shall not constitute notice) to Graubard Miller, The Chrysler Building, 405 Lexington Avenue, New York, New York 10174, Attention: Jeffrey M. Gallant, Esq., and Eric T. Schwartz, Esq., email: jgallant@graubard.com and eschwartz@graubard.com. Any party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose.

10. ***Persons Entitled to Benefit of Agreement***. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and the controlling persons, officers and directors referred to in Section 5. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable remedy or claim under or in respect of this Agreement or any provision herein contained. The term "successors and assigns" as herein used shall not include any purchaser, as such purchaser, of any of the Shares from the Agent.

11. ***Absence of Fiduciary Relationship***. The Company acknowledges and agrees that: (a) the Agent has been retained solely to act as an sales agent and/or principal in connection with the sale of the Shares and that no fiduciary, advisory or agency relationship between the Company and the Agent has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Agent has advised or is advising the Company on other matters; (b) the price and other terms of the Shares set forth in this Agreement were established by the Company following discussions and arms-length negotiations with the Agent and the Company is capable of evaluating and understanding, and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (c) it has been advised that the Agent and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Agent has no obligation to disclose such interest and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; (d) it has been advised that the Agent is acting, in respect of the transactions contemplated by this Agreement, solely for the benefit of the Agent, and not on behalf of the Company; and (e) it waives to the fullest extent permitted by law, any claims it may have against the Agent for breach of fiduciary duty or alleged breach of fiduciary duty in respect of any of the transactions contemplated by this Agreement and agrees that the Agent shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

12. ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, including Section 5-1401 of the General Obligations Law of the State of New York, but otherwise without regard to conflict of laws rules that would apply the laws of any other jurisdiction.

13. ***Counterparts***. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

14. ***Adjustments for Stock Splits***. The parties acknowledge and agree that all share-related numbers contained in this Agreement shall be adjusted to take into account any stock split, stock dividend or similar event effected with respect to the Shares.

15. ***Entire Agreement; Amendment; Severability; Headings***. This Agreement (including all schedules and exhibits attached hereto and transaction notices issued pursuant hereto) constitutes the entire agreement and supersedes all other prior and contemporaneous agreements and undertakings, both written and oral, among the parties hereto with regard to the subject matter hereof. Neither this Agreement nor any term hereof may be amended except pursuant to a written instrument executed by the Company and the Agent. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable as written by a court of competent jurisdiction, then such provision shall be given full force and effect to the fullest possible extent that it is valid, legal and enforceable, and the remainder of the terms and provisions herein shall be construed as if such invalid, illegal or unenforceable term or provision was not contained herein, but only to the extent that giving effect to such provision and the remainder of the terms and provisions hereof shall be in accordance with the intent of the parties as reflected in this Agreement. The section headings used in this Agreement are for convenience only and shall not affect the construction hereof.

16. ***Waiver of Jury Trial***. Each of the Company and the Agent hereby waives any right it may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or the transactions contemplated hereby.

[*Signature Page to Follow*]

Please sign and return to the Company the enclosed duplicates of this letter whereupon this letter will become a binding agreement between the Company and the Agent in accordance with its terms.

Very truly yours,

NAKED BRAND GROUP LIMITED

By: */s/ Justin Davis-Rice*
Name: Justin Davis-Rice
Title: Executive Chairman and Chief Executive Officer

By: */s/ Mark Ziirsen*
Name: Mark Ziirsen
Title: Chief Financial Officer and Corporate Secretary

Confirmed as of the date first
above mentioned.

MAXIM GROUP LLC

By: */s/ Clifford A. Teller*
Name: Clifford A. Teller
Title: Executive Managing Director, Investment Banking

Exhibit 10.8

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of November 4, 2021, between Naked Brand Group Limited, an Australian corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "Purchaser" and collectively the "Purchasers").

WHEREAS, the Company and Purchasers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the Securities Act (as defined below) and the Company's agreement to register for resale under the Securities Act the securities sold hereby; and

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.4.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act.

"Australian Counsel" means Mills Oakley.

"Board of Directors" means the board of directors of the Company.

"Business Combination" means the consolidation, merger, spin-off, corporate reorganization or any other similar transaction involving the Company and Cenntro Automotive Group Limited, a Cayman Island company limited by shares, in which the Company shall be the surviving entity.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

"Closing" means the closing of the purchase and sale of the Units pursuant to Section 2.1.

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount and (ii) the Company's obligations to deliver the Units, in each case, have been satisfied or waived, but in no event later than the first (1^{st}) Trading Day following the date hereof.

"Commission" means the United States Securities and Exchange Commission.

"Company Counsel" means Graubard Miller, with offices located at 405 Lexington Ave, 11th Floor, New York, NY 10174.

"Disclosure Time" means, (i) if this Agreement is signed on a day that is not a Trading Day or after 9:00 a.m. (New York City time) and before midnight (New York City time) on any Trading Day, 9:01 a.m. (New York City time) on the Trading Day immediately following the date hereof, unless otherwise instructed as to an earlier time by the Purchasers, and (ii) if this Agreement is signed between midnight (New York City time) and 9:00 a.m. (New York City time) on any Trading Day, no later than 9:01 a.m. (New York City time) on the date hereof, unless otherwise instructed as to an earlier time by the Purchasers.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) Ordinary Shares or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) Ordinary Shares upon the exercise or exchange of securities exercisable or exchangeable for or convertible into Ordinary Shares issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"Extraordinary General Meeting" means Extraordinary General Meeting of the Company's shareholders held for the purpose of approving the Business Combination.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Five-Year Warrant" means a warrant, in the form attached hereto as Exhibit A, where each whole warrant entitles the holder to purchase one Ordinary Share, provided that such warrant shall have an Expiration Date (as defined therein) that is the earlier of: (i) one year from the Issuance Date (as defined therein) or (ii) the date that the Business Combination is completed.

"IFRS" shall have the meaning ascribed to such term in Section 3.1(h).

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(aa).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(p).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" means: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document; provided, however, that "Material Adverse Effect" does not mean or include any condition, event, or change which (x) results from events or occurrences relating to the global economy in general, (y) acts of war, sabotage, terrorism, natural or man-made disasters, epidemics, pandemics (including COVID-19), acts of God, and measures taken by governments, or political or administrative subdivisions thereof, in response thereto, (z) changes in the Company's industry in general and not having a disproportionate impact on the Company

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(n).

"MWE" means McDermott Will and Emery LLP, with offices located at One Vanderbilt Avenue New York, NY 10017-3852.

"One-Year Warrant" means a warrant, in the form attached hereto as Exhibit A, where each whole warrant entitles the holder to purchase one Ordinary Share, provided that such warrant shall have an Expiration Date (as defined therein) that is the earlier of: (i) one year from the Issuance Date (as defined therein) or (ii) the date that the Business Combination is completed.

"Ordinary Shares" means the ordinary shares of the Company, no par value per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Ordinary Share Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Ordinary Shares, including, without limitation, any debt, preferred share, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares.

"Per Unit Purchase Price" equals $0.6012, subject to adjustment for reverse and forward share splits, share dividends, share combinations and other similar transactions of the Ordinary Shares that occur after the date of this Agreement and prior to the Closing Date.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint share company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus supplement to the Registration Statement, which offers for resale the Ordinary Shares underlying the Units sold to the Purchasers (including the Warrant Shares, in an amount equal to 150% of the number of Warrant Shares initially issuable upon cash exercise of the Warrants).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.7.

"Registration Statement" means the automatic shelf registration statement on Form F-3 (File No. 333-256258), including all information, documents and exhibits filed with or incorporated by reference into such registration statement.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing Ordinary Shares).

"Subscription Amount" means, as to each Purchaser, the aggregate amount to be paid for Units purchased hereunder as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsidiary" means any subsidiary of the Company as set forth in the SEC Reports, and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Ordinary Shares are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, all exhibits and schedules hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means Continental Stock Transfer & Trust Company.

"Units" means the Units, each containing one Ordinary Share, one Five-Year Warrant and sixty-five hundredths (65/100) of one One-Year Warrant, issued or issuable to each Purchaser pursuant to this Agreement.

"Warrant" means the Five-Year Warrant and/or the One-Year Warrant, as applicable.

"Warrant Shares" means the Ordinary Shares issuable upon the exercise of the Warrants.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, up to an aggregate of $30,000,000 of Units. The Company shall deliver to each Purchaser its respective Units upon the Company's receipt of payment therefor, and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of MWE or such other location as the parties shall mutually agree. Notwithstanding anything to the contrary herein and the Purchaser's Subscription Amount set forth on the signature pages attached hereto, the number of Ordinary Shares purchased by a Purchaser (and its Affiliates) hereunder (including the Ordinary Shares underlying the Units and the Warrant Shares) shall not, when aggregated with all other Ordinary Shares owned by such Purchaser (and its Affiliates) at such time, result in such Purchaser beneficially owning (as determined in accordance with Section 13(d) of the Exchange Act) in excess of 9.9% of the then issued and outstanding Ordinary Shares outstanding at the Closing (the "Beneficial Ownership Maximum"). To the extent that a Purchaser's beneficial ownership of the Ordinary Shares would otherwise be deemed to exceed the Beneficial Ownership Maximum, such Purchasers' Subscription Amount shall automatically be reduced as necessary in order to comply with this paragraph.

2.2 Deliveries.

(a) On or prior to the Closing Date (except as indicated below), the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) this Agreement duly executed by the Company;

(ii) a legal opinion of Company Counsel, in form and substance reasonably acceptable to the Purchasers;

(iii) a legal opinion of Australian Counsel, in form and substance reasonably acceptable to the Purchasers;

(iv) a secretary's certificate, in form and substance reasonably acceptable to the Purchasers;

(v) an officer's certificate, in form and substance reasonably acceptable to the Purchasers;

(vi) subject to the last sentence of Section 2.1, the Company shall have provided the Purchasers with the Company's wire instructions, on Company letterhead and executed by the Chief Executive Officer or Chief Financial Officer;

(vii) subject to the last sentence of Section 2.1, a copy of the irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver on an expedited basis via The Depository Trust Company Deposit or Withdrawal at Custodian system ("DWAC") Units equal to such Purchaser's Subscription Amount divided by the Per Unit Purchase Price, registered in the name of such Purchaser (provided, that any fractional units resulting from such quotient and the Subscription Amount applicable thereto shall be disregarded and the total number of Units issuable to the Purchaser shall be rounded down to the nearest whole number of Units); and

(viii) the form of the Prospectus, which shall be filed with the Commission promptly after Closing.

(b) On or prior to the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, as applicable, the following:

(i) this Agreement duly executed by such Purchaser; and

(ii) such Purchaser's Subscription Amount, under which the Purchaser shall on the Closing Date, deliver via wire transfer immediately available funds to the Company or its designee.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) on the Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement; and

(iv) Nasdaq shall have completed its review of the Nasdaq Notice and shall not have raised an objection to the transactions contemplated hereby.

(b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(v) from the date hereof to the Closing Date, trading in the Ordinary Shares shall not have been suspended by the Commission or the Company's principal Trading Market, and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Units at the Closing; and

(vi) Nasdaq shall have completed its review of the Nasdaq Notice and shall not have raised an objection to the transactions contemplated hereby.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the SEC Reports, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect significant subsidiaries of the Company are set forth in the SEC Reports. Except as set forth in the SEC Reports, the Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing (if the concept of good standing exists in such jurisdiction) under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective constitution, certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's shareholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's constitution, certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.3 of this Agreement, (ii) the filing with the Commission of the Registration Statement and the Prospectus, (iii) the filing of the listing of additional shares notice with Nasdaq for the listing of the Ordinary Shares underlying the Units and the Warrant Shares for trading thereon (the "Nasdaq Notice"), or such other notice(s) to such Trading Markets, as applicable, in the time and manner required thereby (or as promptly as practicable) and (iv) such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals"). On or prior to the date hereof, the Company has submitted the Nasdaq Notice.

(f) Issuance of the Units; Registration. The Ordinary Shares included in the Units are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The issuance of the Warrants included in the Units pursuant to the Transaction Documents is duly authorized, and upon the due execution, issuance and delivery thereof against payment in full therefor in accordance with the terms of this Agreement, the Warrants will be valid and binding obligations of the Company enforceable against the Company in accordance with their terms (except (i) as may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (ii) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought). The issuance of the Ordinary Shares issuable upon exercise of the Warrants is duly authorized, and upon issuance and against payment therefor in accordance with the Warrants, such Ordinary Shares will be validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company. The Company has reserved from its duly authorized capital stock the maximum number of Ordinary Shares issuable pursuant to this Agreement. The Company has prepared the Registration Statement, including the Prospectus, in conformity with the requirements of the Securities Act. At the time of filing of the Registration Statement, the Company was eligible to use Form F-3 under the Securities Act and met the transaction requirements as set forth in General Instruction I.B.1 of Form F-3.

(g) Capitalization. The capitalization of the Company as of the date hereof is as set forth in the SEC Reports. The Company has not issued any capital stock since its most recently periodic report filed under the Exchange Act or its most recent report furnished on Form 6-K under the Exchange Act, other than pursuant to the exercise of employee share options under the Company's share option plans, the issuance of Ordinary Shares to employees pursuant to the Company's employee share purchase plans, pursuant to the conversion and/or exercise of Ordinary Share Equivalents outstanding as of the date of the most recently furnished report on Form 6-K under the Exchange Act, the issuance of Ordinary Shares in offerings registered on the Company's shelf registration statement on Form S-3 (Registration No. 333-249547), and the issuance of Ordinary Shares pursuant to an "at the market" offering of the Company's securities under Rule 415(a)(4) as to which a prospectus supplement to the has been filed under Rule 424(b). No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except pursuant to Ordinary Share Equivalents outstanding as of the date of this Agreement, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any Ordinary Shares or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional Ordinary Shares or Ordinary Share Equivalents or capital stock of any Subsidiary. The issuance and sale of the Units will not obligate the Company or any Subsidiary to issue Ordinary Shares or other securities to any Person (other than the Purchasers). There are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price of such security or instrument upon an issuance of securities by the Company or any Subsidiary. Except as set forth in the SEC Reports, there are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. Except as set forth in the SEC Reports, the Company does not have any share appreciation rights or "phantom share" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any shareholder, the Board of Directors or others is required for the issuance and sale of the Units. There are no shareholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's shareholders.

(h) SEC Reports; Financial Statements. The Company has filed or furnished all reports, schedules, forms, statements and other documents required or permitted, including reports on Form 6-K, to be filed or furnished by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, as may be amended, including the exhibits thereto and documents incorporated by reference therein, together with the Prospectus, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by IFRS, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as disclosed in the SEC Reports, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, (B) liabilities incurred in connection with the Business Combination, and (C) liabilities not required to be reflected in the Company's financial statements pursuant to IFRS or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company share option plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Units contemplated by this Agreement, the Business Combination or as set forth in the SEC Reports, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one (1) Trading Day prior to the date that this representation is made.

(j) Litigation. Except as disclosed in the SEC Reports, there is no material action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action"). None of the Actions set forth in the SEC Reports, (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Units or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with IFRS and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance in all material respects.

(p) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage. Neither the Company nor any Subsidiary has knowledge of any facts or circumstances which would cause the Company or such Subsidiary to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions With Affiliates and Employees. Except as set forth in the SEC Reports, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, shareholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including share option agreements under any share option plan of the Company.

(s) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in compliance in all material respects with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. Except as set forth in the SEC Reports, the Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as set forth in the SEC Reports, the Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed annual report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its Annual Report on Form 20-F for the year ended January 31, 2020, the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Except as disclosed in the SEC Reports, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(t) Certain Fees. Except as set forth in the SEC Reports, no brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Units, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(v) Registration Rights. Except as set forth in the SEC Reports or as contemplated by the Transaction Documents, no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(w) Listing and Maintenance Requirements. The Ordinary Shares are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Ordinary Shares under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. Except as set forth in the SEC Reports, the Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Ordinary Shares are or have been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. Except as set forth in the SEC Reports, the Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Ordinary Shares are currently eligible for electronic transfer through the Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to the Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's constitution (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Units and the Purchasers' ownership of the Units.

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information which is not otherwise disclosed in the Prospectus. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases, together with the Reports of Foreign Private Issuer on Form 6-K, disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Units to be integrated with prior offerings by the Company for purposes of any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(aa) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Units hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with IFRS. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(bb) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. Except for taxes that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, there are no unpaid taxes claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA.

(dd) Accountants. The Company's accounting firm is set in the SEC Reports. To the knowledge and belief of the Company, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) has expressed its opinion with respect to the financial statements included in the Company's Annual Report for the fiscal year ending January 31, 2021.

(ee) Acknowledgment Regarding Purchasers' Purchase of Units. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Units. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(ff) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(f) and 4.12 hereof), it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Units for any specified term; (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, presently may have a "short" position in the Ordinary Shares, and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Units (or the Ordinary Shares underlying the Units) are outstanding, and (z) such hedging activities (if any) could reduce the value of the existing shareholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(gg) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Units or any of the securities underlying the Units, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the Units, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), offers and sales pursuant to an "at the market" offering of the Company's securities under Rule 415(a)(4) as to which a prospectus supplement has been filed under Rule 424(b).

(hh) [Reserved].

(ii) Share Option Plans. Except as disclosed in the SEC Reports, each share option granted by the Company under the Company's share option plan was granted (i) in accordance with the terms of the Company's share option plan and (ii) with an exercise price at least equal to the fair market value of the Ordinary Shares on the date such share option would be considered granted under IFRS and applicable law. No share option granted under the Company's share option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, share options prior to, or otherwise knowingly coordinate the grant of share options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(jj) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(kk) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(ll) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(mm) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Understandings or Arrangements. Such Purchaser is acquiring the Units and the securities underlying the Units as principal for its own account and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such securities (this representation and warranty not limiting such Purchaser's right to sell the Units or the securities underlying the Units pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Units hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Units, it was, and as of the date hereof it is either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Units, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Units and, at the present time, is able to afford a complete loss of such investment.

(e) Access to Information. Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and has been afforded, (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Units and the merits and risks of investing in the Units; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material pricing terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Units covered by this Agreement. Other than to other Persons party to this Agreement or to such Purchaser's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Furnishing of Information. Until the earlier of (x) time that no Purchaser owns Ordinary Shares underlying the Units issued hereunder and (y) the second anniversary of the Closing, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

4.2 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Units for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.3 Securities Laws Disclosure; Publicity. The Company shall (a) by the Disclosure Time, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file a Report on Form 6-K, including copies of the Transaction Documents (or the forms thereof) as exhibits thereto, with the Commission within the time required by the Exchange Act. From and after the issuance of such press release, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and any of the Purchasers or any of their Affiliates on the other hand, shall terminate. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b).

4.4 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Units under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.5 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.3, and except with respect to the Business Combination, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto such Purchaser shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates delivers any material, non-public information to a Purchaser without such Purchaser's consent, the Company hereby covenants and agrees that such Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.6 Use of Proceeds. The Company shall use the net proceeds from the sale of the Units hereunder for working capital and general corporate purposes, including for the Business Combination, for the other transactions contemplated by the agreements governing the Business Combination and for fees, costs and expenses incurred in connection with the Business Combination.

4.7 Indemnification of Purchasers. Subject to the provisions of this Section 4.7, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any shareholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such shareholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct), the Company will indemnify each Purchaser Party, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses, as incurred, arising out of or relating to (i) any untrue or alleged untrue statement of a material fact contained in such registration statement, any prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Purchaser Party furnished in writing to the Company by such Purchaser Party expressly for use therein, or (ii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder in connection therewith. If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.8 Listing of Ordinary Shares. Until the earlier of (x) time that no Purchaser owns any Ordinary Shares underlying the Units sold hereunder and (y) the second anniversary of the Closing, the Company hereby agrees to use best efforts to maintain the listing or quotation of the Ordinary Shares on the Trading Market on which it is currently listed, and concurrently with the date hereof, the Company shall submit a listing of additional shares notice to Nasdaq with respect to the issuance of the Ordinary Shares underlying the Units to be sold hereunder (including the Warrant Shares) and use its best efforts to obtain a no objections notice from Nasdaq or otherwise to promptly secure the listing of all of the Ordinary Shares on Nasdaq. The Company further agrees, if the Company applies to have the Ordinary Shares traded on any other Trading Market, it will then include in such application all of the Ordinary Shares, and will take such other action as is necessary to cause all of the Ordinary Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of its Ordinary Shares on a Trading Market and will comply in all material respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to maintain the eligibility of the Ordinary Shares for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.9 Ownership Requirement. On the date of the Extraordinary General Meeting, Investor shall own such number of Ordinary Shares at least equal to the number of Ordinary Shares it received from the Company on the Closing Date.

4.10 [Reserved].

4.11 Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered to all of the parties to such Transaction Document. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Units, or the Ordinary Shares underlying the Units, or otherwise.

4.12 Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.3. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the initial press release as described in Section 4.3, such Purchaser will maintain the confidentiality of the existence and terms of this transaction. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.3, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.3 and (iii) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Company to the Company or its Subsidiaries after the issuance of the initial press release as described in Section 4.3. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Units covered by this Agreement.

4.13 Registration Statement. As promptly as practicable following the Closing Date, but in any event not later than five (5) Business Days following the Closing, the Company shall file the Prospectus with the Commission pursuant to Rule 424(b). At the time the Registration Statement became effective, the Registration Statement conformed in all material respects to the requirements of the Securities Act and did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. At the time the Prospectus will be issued, the Prospectus will conform in all material respects to the requirements of the Securities Act and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the number of shares available for resale under the Prospectus is less than the sum of (i) the number of the Ordinary Shares included in the Units then held by the Purchasers, plus (ii) the number of Warrants Shares then held by the Purchasers, plus (iii) the number of Warrants Shares issuable upon cash exercise of the Warrants then held by the Purchasers, then the Company shall as promptly as reasonably practicable file an additional Prospectus to the Registration Statement or shall file a new registration statement, in either case covering the resale of a number of Ordinary Shares equal to the number Ordinary Shares and Warrant Shares then held by the Purchasers, *plus* 150% of the number of Warrant Shares then issuable upon cash exercise of the Warrants then held by the Purchasers. Notwithstanding anything herein to the contrary, the Company may take into account the position of the staff of the Commission with respect to the date on which the Staff will permit any additional Prospectus or new registration statement to be filed with the SEC, and the number of Ordinary Shares to be included in any additional Prospectus or new registration statement, and shall not be deemed to be in breach of this Section 4.13 by virtue thereof.

4.13 Warrant Shares. The Company shall use its best efforts to keep effective the Registration Statement registering the resale of the Warrant Shares. If at any time the Registration Statement (or any subsequent registration statement registering the sale or resale of the Warrant Shares) is not effective or is not otherwise available for the Warrant Shares, the Company shall promptly notify the holders of the Warrants that such registration statement is not then effective and thereafter shall promptly notify the holders of the Warrants when the Registration Statement or a new registration statement becomes effective for the sale or resale of the Warrant Shares (it being understood that the foregoing shall not limit the ability of the Company to issue, or any purchaser to sell, such Ordinary Shares in compliance with an exemption from registration under the Securities Act).

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if (i) the Company has not received a "no objections" letter from Nasdaq with respect to the issuance of the Units within fifteen (15) days from the date hereof, (ii) the closing price of the Ordinary Shares as reported by Bloomberg on any Trading Day is more than 40% less than the closing price of the Ordinary Shares on the date hereof, as reported by Bloomberg, or (iii) the Closing has not been consummated on or before the fifteenth (15^{th}) Trading Day following the date hereof; provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties). All determinations of the closing price of the Ordinary Shares shall be subject to adjustment for reverse and forward share splits, share dividends, share combinations and other similar transactions of the Ordinary Shares.

5.2 Fees and Expenses. At the Closing, the Company has agreed to pay MWE the sum of $25,000 as reimbursement of the Purchasers for their legal fees and expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company), stamp taxes and other taxes and duties levied in connection with the delivery of any Units to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, and the Prospectus contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and Purchasers which purchased at least 50.1% in interest of the Units based on the initial Subscription Amounts hereunder (or, prior to the Closing, the Company and each Purchaser) or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought, provided that if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or group of Purchasers), the consent of such disproportionately impacted Purchaser (or group of Purchasers) shall also be required. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any proposed amendment or waiver that disproportionately, materially and adversely affects the rights and obligations of any Purchaser relative to the comparable rights and obligations of the other Purchasers shall require the prior written consent of such adversely affected Purchaser. Any amendment effected in accordance with this Section 5.5 shall be binding upon each Purchaser and the Company.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Units or securities underlying the Units, provided that such transferee agrees in writing to be bound, with respect to the transferred securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.7 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.7, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Units.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, or any electronic signature complying with the U.S. federal ESIGN Act of 2000, the Uniform Electronic Transactions Act, or other applicable law (e.g., www.docusign.com), such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile, ".pdf" or electronic signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that in the case of a rescission of an exercise of a Warrant, the Purchaser shall be required to return the Warrant Shares received upon such exercise concurrently with the return to such Purchaser of the aggregate exercise price paid and the restoration of the Purchaser's right to acquire such Warrant Shares pursuant to such Warrant.

5.14 Replacement of Securities. If any certificate or instrument evidencing any Units, or the Ordinary Shares, Warrants, or Warrant Shares issuable thereunder, is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. For reasons of administrative convenience only, each Purchaser and its respective counsel have chosen to communicate with the Company through MWE. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

5.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.19 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and Ordinary Shares in any Transaction Document shall be subject to adjustment for reverse and forward share splits, share dividends, share combinations and other similar transactions of the Ordinary Shares that occur after the date of this Agreement.

5.20 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

NAKED BRAND GROUP LIMITED

By: _____
Name:
Title:

Address for Notice:

E-Mail:
Fax:

With a copy to (which shall not constitute notice):

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO NAKD SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory:
Title of Authorized Signatory:
Email Address of Authorized Signatory:

Address for Notice to Purchaser:

with a copy (for informational purposes only) to:

McDermott Will & Emery LLP
340 Madison Ave.
New York, NY 10173
Telephone: (212) 547-5885
E-mail: Rcohen@mwe.com
dwoodard@mwe.com
Attention: Robert Cohen, Esq.

Address for Delivery of Units to Purchaser (if not same as address for notice):

Subscription Amount:

Units: _____

EIN Number:

[ ] Notwithstanding anything contained in this Agreement to the contrary, by checking this box (i) the obligations of the above-signed to purchase the securities set forth in this Agreement to be purchased from the Company by the above-signed, and the obligations of the Company to sell such securities to the above-signed, shall be unconditional and all conditions to Closing shall be disregarded, (ii) the Closing shall occur on the first (1^{st}) Trading Day following the date of this Agreement and (iii) any condition to Closing contemplated by this Agreement (but prior to being disregarded by clause (i) above) that required delivery by the Company or the above-signed of any agreement, instrument, certificate or the like or purchase price (as applicable) shall no longer be a condition and shall instead be an unconditional obligation of the Company or the above-signed (as applicable) to deliver such agreement, instrument, certificate or the like or purchase price (as applicable) to such other party on the Closing Date.

EXHIBIT A
Form of Warrant

[Attached]

Exhibit 23.1

New York Office
7 Penn Plaza, Suite 830, New York, New York 10001
T 646.442.4845

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement (File No. 333-256258) of Naked Brand Group Limited of our report dated July 16, 2021, except for Note 1, Note 15 and Note 19, as to which the date is November 8, 2021, with respect to our audits of the combined financial statements of Cenntro Electric Group, Inc., Cenntro Automotive Corporation and Cenntro Automotive Group Limited as of December 31, 2020 and 2019, and for the each of the two years in the period ended December 31, 2020, which report appears in the Form 6-K filed with the SEC on November 8, 2021, which is incorporated by reference in the Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Registration Statement.

/s/Marcum Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP
New York, New York
November 8, 2021

Exhibit 99.1

Naked Brand Group and Privately-Held Cenntro Automotive Group, a Leading Commercial-Stage EV Technology Company, Announce Definitive Stock for Stock Acquisition Agreement

Cenntro Automotive Group is an early pioneer in Artificial Intelligent (AI) Autonomous Driving and a leading designer and manufacturer of electric light and medium-duty commercial vehicles ("ECV").

Cenntro has sold and delivered more Commercial Electric Vehicles than any other EV company; Customers are estimated to have traveled more than 20 million miles in 26 Countries in Cenntro EVs.

Cenntro Expects 2021 Revenue of $25.3 million with over 1,500 vehicle sales, $506 million on 21,500 vehicle sales in 2022 and $2.1 billion on 74,800 vehicle sales in 2023.

Cenntro Automotive's purpose-built ECVs are designed for serving a variety of corporate fleet and municipal organizations in support of city services, last-mile delivery and other commercial applications.

Cenntro Automotive's cutting-edge technological research and development capabilities and IP include vehicle design, digital component development, vehicle control software, and "smart" driving putting Cenntro at the forefront of the technology transformation of the ECV market.

Upon closing of this Transaction, the combined company is expected to have $282 million in cash.

Transaction is expected to close by year end of 2021.

Companies to hold Webcast at 6:00 pm Eastern Time today to discuss transaction

SYDNEY, AUSTRALIA and FREEHOLD, NJ — November 8, 2021 — Naked Brand Group Limited (**NASDAQ:NAKD**) ("Naked" or the "Company") and privately-held Cenntro Automotive Group, Inc. ("Cenntro"), today announced that the companies have entered into a definitive agreement under which Naked will acquire the outstanding stock in three entities comprising Cenntro Automotive Group ("Cenntro"), a commercial EV technology company with advanced market-validated commercial vehicles and autonomous driving technologies in a Stock for Stock Acquisition Agreement (the "Transaction"). Upon completion of the Transaction, the Company is expected to change its name to Cenntro Automotive Group (CAG). The Company expects to retain its Nasdaq listing and ticker symbol "NAKD".

Founded in 2013, Cenntro has produced and delivered over 3,300 commercial electric vehicles, more commercial electric vehicles than any other EV manufacturer. Its scalable, decentralized production model allows it to grow production without many of the associated infrastructure costs incurred by other EV companies. It expects significant growth over the next five years, with EV sales forecast to reach $2.1 billion by 2023. The company expects to generate 2021 revenue of $25.3 million on sales of 1,500 vehicles, 2022 revenue of $506 million on sales of 21,500 vehicles and 2023 sales of 74,800 vehicles. Cenntro has excellent visibility into future revenue through a strong backlog of orders. The company plans to scale production in January 2022, through new facilities both in Jacksonville, Florida and Dusseldorf, Germany.

Cenntro has a strong technology backbone, with over 238 patents issued to protect its intellectual property. Since 2013, it has made substantial investments in developing its technology. Cenntro's Advanced System on Chip (SOC) technology differentiates it from competitors with its iPhone-like functions that enable autonomous driving applications to be integrated with Cenntro's iChassis. Cenntro Automotive Group's unique SOC and IP puts it at the forefront of the global commercial EV industry. Additional information on Cenntro can be found on its website www.cenntroauto.com.

Under the agreement, Naked will issue shareholders of CAG a number of shares so that, upon the completion of the Transaction, which is expected to occur prior to year-end, Cenntro shareholders will own approximately 70% of the combined entity on a fully-diluted basis. The closing of the Transaction is subject to customary closing conditions, including approval by Nasdaq, ASIC (an Australian regulatory body) and the shareholders of the Company and Cenntro's parent. In addition, the Company is required to have US$282 million in cash immediately prior to the closing. There can be no assurance that the conditions to closing the Transaction will be satisfied or waived. Accordingly, there can be no assurance that the Transaction will be completed.

Upon closing of the Transaction, the majority of the Board will be appointed by Cenntro. Naked Brand Group Chairman and Chief Executive Officer Justin Davis-Rice and Non-Executive Director Simon Tripp will remain on the board of the combined company. In connection with the Transaction, the Company intends to divest its FOH Online business.

"After assessing numerous companies with promising, innovative technologies, we believe Cenntro offers the most compelling opportunity, as it not only has unique commercial EV technology, but has proven that it has been able to manufacture and deliver growing numbers of commercial electric vehicles that are being used by many of the leading consumer companies," said Justin Davis-Rice, Chairman and Chief Executive Officer of Naked Brand Group. "Together with Cenntro's outstanding vehicle pipeline, I believe the combined company will give our shareholders the opportunity to participate in a company that has reached an inflection point in its development that together with the Naked Brand Group balance sheet, will produce tremendous growth."

"We looked at many options for going public," said Peter Wang, Cenntro's Chairman and Chief Executive Officer. "While we confidentially submitted a draft S-1 to go public via an IPO, we came to believe that Naked allowed us to go public faster, providing the working capital to support our substantial backlog. However, beyond capital, we felt the opportunity to gain such a loyal and enthusiastic shareholder base, such as the "Naked Army" and its other shareholders, was something that no IPO could achieve. We look forward to sharing many exciting developments in the coming months as we scale our deliveries."

Webcast Details

Mr. Davis-Rice, Mr. Wang and Cenntro Automotive Group Executive Vice President and Chief Marketing Officer Marianne McInerney will host the webcast. The webcast will be accompanied by a presentation, which can be viewed during the webcast or accessed via the investor relations section of Naked Brand Group's website here.

To access the webcast, please use the following information:

Date:	Monday, November 8, 2021
Time:	6:00 p.m. EST, 3:00 p.m. PST
Conference ID:	13725050

If you have difficulty connecting to the webcast, please contact MZ Group at +1 (949) 491-8235.

The webcast will be broadcast live and available for replay at https://78449.themediaframe.com/dataconf/productusers/nkd/mediaframe/47373/indexl.html and via the investor relations section of Naked Brand Group' website here.

Transaction Overview

The shareholders of Naked immediately after the conclusion of the Transaction will own approximately 30% of the combined company, and the shareholders of Cenntro's parent will own approximately 70%, on a fully diluted basis. Upon closing of this Transaction, the combined company is expected to have $282 million in cash.

Naked Brand Group has also provided Cenntro a $30 million secured loan to provide additional working capital to meet its substantial backlog during the pendency of the Transaction.

The boards of directors of both Naked Brand Group and Cenntro have unanimously approved the Transaction. The Transaction remains subject to approval by Nasdaq, ASIC (an Australian regulatory body), and the shareholders of the Company and Cenntro's parent, and to the Company having at least US$282 million in cash immediately prior to the closing.

The Company has entered into an equity distribution agreement with Maxim Group LLC and signed a definitive agreement for a private placement of ordinary shares and warrants to finance the minimum cash requirement.

Please refer to the Company's Form 6-K filed with the Securities and Exchange Commission (SEC) for additional information available at www.sec.gov and on the Company's investor relations website at ir.nakedbrands.com.

About Naked Brand Group Limited

Naked Brand Group Limited (NASDAQ: NAKD) is a leading e-commerce business in intimate apparel. The company is the exclusive seller and marketer of renowned intimate apparel brand Fredericks of Hollywood via its online store www.fredericks.com. For more information about the company, please visit www.nakedbrands.com.

About Cenntro Automotive Group:

A commercial EV technology company with advanced, market-validated commercial vehicles. Cenntro leads transformation in the auto industry through scalable, decentralized production and fully digitalized autonomous driving solutions empowered by the Cenntro iChassis. Cenntro has sold and delivered 3300 commercial EV in more than 26 countries as of Dec 2020. For more information about the company, please visit www.cenntroauto.com.

Forward-Looking Statements

This communication contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts. Such statements may be, but need not be, identified by words such as "may,'' "believe,'' "anticipate,'' "could,'' "should,'' "intend,'' "plan,'' "will,'' "aim(s),'' "can,'' "would,'' "expect(s),'' "estimate(s),'' "project(s),'' "forecast(s)'', "positioned,'' "approximately,'' "potential,'' "goal,'' "pro forma,'' "strategy,'' "outlook'' and similar expressions. Examples of forward-looking statements include, among other things, statements regarding the deployment of capital and future acquisitions. All such forward-looking statements are based on management's current beliefs, expectations and assumptions, and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed or implied in this communication. Among the key factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements are the following: our inability to consummate the proposed Transaction, including due to the failure to satisfy any closing conditions that are set forth in the definitive agreement; our ability to successfully integrate the operations of the acquired business and to maximize expected synergies; our ability to realize the expected benefits of the proposed Transaction; and other risks and uncertainties set forth under "Risk Factors'' in our Annual Report on Form 20-F for the fiscal year ended January 31, 2021 and in our other filings with the Securities and Exchange Commission. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise, except as required by law.

Investor Contact:

Chris Tyson
MZ North America
chris.tyson@mzgroup.us
949-491-8235

Exhibit 99.2


naked
brand group
CENNTRO
INVESTOR PRESENTATION
NOVEMBER 2021

Disclaimer

Basis of Presentation

This Presentation (this "Presentation") is provided for informational purposes only and has been prepared to assist interested parties in making their own evaluation with respect to a potential business combination between Cenntro Automotive Corporation, Cenntro Electric Group, Inc. and Cenntro Automotive Group Limited (collectively "Centro") and Naked Brand Group Limited (Nasdaq:NAKD) ("NAKD") and related transactions (the "Potential Business Combination") and for no other purpose.

This Presentation and any oral statements made in connection with this Presentation do not constitute an offer to sell, or a solicitation of an offer to buy, or a recommendation to purchase, any securities in any jurisdiction, or the solicitation of any vote, consent or approval in any jurisdiction in connection with the Potential Business Combination or any related transactions, nor shall there be any sale, issuance or transfer of any securities in any jurisdiction where, or to any person to whom, such offer, solicitation or sale may be unlawful under the laws of such jurisdiction. This Presentation does not constitute either advice or a recommendation regarding any securities.

No representations or warranties, express or implied are given in, or in respect of, this Presentation. Industry and market data used in this Presentation have been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. Neither NAKD nor Cenntro has independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness. This data is subject to change. Recipients of this Presentation are not to construe its contents, or any prior or subsequent communications from or with NAKD, Cenntro or their respective representatives as investment, legal or tax advice. In addition, this Presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of CEnntro or the Potential Business Combination. Recipients of this Presentation should each make their own evaluation of Cenntro and of the relevance and adequacy of the information and should make such other investigations as they deem necessary.

Forward Looking Statements

Certain statements included in this Presentation are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include, but are not limited to, (1) statements regarding estimates and forecasts of other financial and performance metrics and projections of market opportunity; (2) references with respect to the anticipated benefits of the Potential Business Combination and the projected future financial performance of Cenntro and Cenntro's operating companies following the Potential Business Combination; (3) changes in the market for Cenntro's products, and expansion plans and opportunities; (4) the sources and uses of cash of the Potential Business Combination; (5) the anticipated capitalization and enterprise value of the combined company following the consummation of the Potential Business Combination; and (6) expectations related to the terms and timing of the Potential Business Combination. These statements are based on various assumptions, whether or not identified in this Presentation, and on the current expectations of Cenntro's and NAKD's management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Cenntro or NAKD. These forward-looking statements are subject to a number of risks and uncertainties, including: changes in domestic and foreign business, market, financial, political, regulatory, and legal conditions; the inability of the parties to successfully or timely consummate the Potential Business Combination, including the risk that any required stockholder or regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the Potential Business Combination is not obtained; failure to realize the anticipated benefits of the Potential Business Combination; risks relating to the uncertainty of the projected financial information with respect to Cenntro; Cenntro's ability to successfully maintain and expand its product

Disclaimer Continued

offerings; competition; the uncertain effects of the COVID-19 pandemic; and those factors discussed in documents of NAKD filed, or to be filed, with the U.S. Securities and Exchange Commission (the "SEC"). If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that neither Cenntro nor NAKD presently know or that Cenntro and NAKD currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward looking statements reflect Cenntro's and NAKD's expectations, plans or forecasts of future events and views as of the date of this Presentation. Cenntro and NAKD anticipate that subsequent events and developments will cause Cenntro's and NAKD's assessments to change. However, while Cenntro and NAKD may elect to update these forward-looking statements at some point in the future, Cenntro and NAKD specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing Cenntro's and NAKD's assessments as of any date subsequent to the date of this Presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Use of Data

The data contained herein is derived from various internal and external sources. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any projections or modeling or any other information contained herein. Any data on past performance or modeling contained herein is not an indication as to future performance. Cenntro and NAKD assume no obligation to update the information in this Presentation.

Trademarks

Cenntro and NAKD own or have rights to various trademarks, service marks and trade names that they use in connection with the operation of their respective businesses. This Presentation may also contain trademarks, service marks, trade names and copyrights 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 Presentation is not intended to, and does not imply, a relationship with Cenntro or NAKD, or an endorsement or sponsorship by or of Cenntro or NAKD. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this Presentation may appear without the TM, SM, ® or © symbols, but such references are not intended to indicate, in any way, that Cenntro or NAKD will not assert, to the fullest extent under applicable law, their rights or the right of the applicable licensor to these trademarks, service marks, trade names and copyrights.

Use of Projections

This Presentation contains projected financial information with respect to Cenntro for future fiscal periods. Such projected financial information constitutes forward-looking information, and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The projections, estimates and targets in this Presentation are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond Cenntro's and NAKD's control. See "Forward-Looking Statements" above. While all projections, estimates and targets are necessarily speculative, Cenntro and NAKD believe that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection, estimate or target extends from the date of preparation. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic, regulatory, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in such projections, estimates and targets. The inclusion of projections, estimates and targets in this Presentation should not be regarded as an indication that Cenntro and NAKD, or their representatives, considered or consider the financial projections, estimates and targets to be a reliable prediction of future events. Neither the independent auditors of Cenntro nor the independent registered public accounting firm of NAKD has audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this Presentation.

Disclaimer Continued

Important Information for Investors and Stockholders; Participants in the Solicitation

In connection with the Acquisition, NBG will file with the SEC a report of foreign private issuer on Form 6-K that includes the notice of meeting and explanatory memorandum to be used in connection with the extraordinary general meeting held for the purpose of approving the Acquisition and certain other related matters. NBG plans to mail the notice of meeting and explanatory memorandum to its shareholders in connection with the extraordinary general meeting. SHAREHOLDERS OF NBG AND OTHER INTERESTED PARTIES ARE URGED TO READ THE NOTICE OF MEETING AND EXPLANATORY MEMORANDUM TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PARTIES, THE TRANSACTIONS AND RELATED MATTERS. Shareholders of NBG and other interested parties will be able to obtain free copies of the documents described above (when available) and other documents filed with the SEC by NBG through the website maintained by the SEC at www.sec.gov..

This Presentation is not a substitute for the proxy materials or the prospectus or for any other document that NAKD may file with the SEC in connection with the Potential Business Combination.

INVESTMENT IN ANY SECURITIES DESCRIBED HEREIN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY OTHER REGULATORY AUTHORITY NOR HAS ANY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Today's Presenters

naked brand group

JUSTIN DAVIS-RICE
CEO & Chairman

Bio:

- Previous CEO and Chairman of Bendon Limited, which he merged with Naked Brand Group in 2018
- Current CEO and Chairman of Naked Brand Group (since 2018)

CENNTRO

PETER WANG
Founder & CEO

Bio:

- Previous MTS of Bell Laboratory, AT&T Architecture Award Winner
- Founder of UTStarcom, Sinomachinery
- More than 30 year as early expert in AI fields. Holds more than 150 patents.
- Named as top 50 Outstanding Asian American 2001 and Most Intriguing Entrepreneur by Goldman Sachs 2019

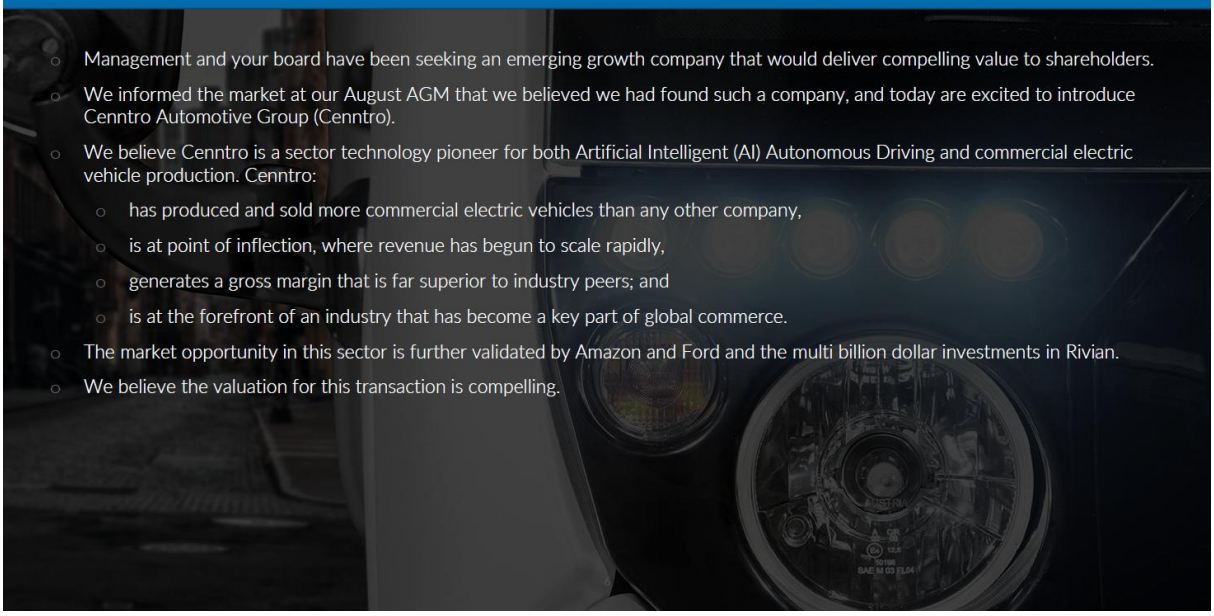
CENNTRO

MARIANNE McINERNY
Chief Marketing Officer

Bio:

- Previous Assistant Secretary for Public Affairs US Department of Transportation
- Past President, American International Automobile Dealers Association, which represents more than 11,000 dealer organizations in the US
- Previous EVP of Smith Electric

Why Cenntro Automotive Group?



- Management and your board have been seeking an emerging growth company that would deliver compelling value to shareholders.
- We informed the market at our August AGM that we believed we had found such a company, and today are excited to introduce Cenntro Automotive Group (Cenntro).
- We believe Cenntro is a sector technology pioneer for both Artificial Intelligent (AI) Autonomous Driving and commercial electric vehicle production. Cenntro:
  - has produced and sold more commercial electric vehicles than any other company,
  - is at point of inflection, where revenue has begun to scale rapidly,
  - generates a gross margin that is far superior to industry peers; and
  - is at the forefront of an industry that has become a key part of global commerce.
- The market opportunity in this sector is further validated by Amazon and Ford and the multi billion dollar investments in Rivian.
- We believe the valuation for this transaction is compelling.

Transaction Highlights

- A definitive agreement for the transaction was announced today. Under the agreement, Naked Brand Group will issue CAG a number of shares such that CAG's equity holders will own approximately 70% of Naked Brand Group's fully diluted outstanding shares after the transaction.
- The transaction is subject to certain conditions to closing, including Nasdaq, ASIC (an Australian regulatory body) and shareholder approval, completion of the divestiture of the Frederick's of Hollywood business, and Naked Brand Group completing financing transactions such that it has US$282 million in cash (including the $5m Bendon and $30 million Cenntro loan) at closing.
- Naked Brand Group has made a $30 million secured loan to Cenntro to provide additional working capital to meet the delivery schedules for its backlog during the pendency of the transaction.
- We expect the regulatory and shareholder approvals to take approximately 45 days, by which time we expect that the divestiture and financings will be complete and anticipate the transaction will close by year end 2021, subject to satisfying the closing conditions set forth above.
- Both parties are firmly committed to concluding this transaction as efficiently as possible and have been working closely together for more than 90 days.
- At the conclusion of the transaction, both Justin Davis-Rice and Simon Tripp will remain on the Board of Directors.
- We greatly appreciate all the support of our shareholders and believe that this transaction gives the company and its shareholders a very exciting path forward in an explosive growth industry.

Cenntro Automotive Group

- Cenntro is a technology pioneer in Artificial Intelligent (AI) Autonomous Driving and Commercial Electric Vehicle production, and a leading designer and manufacturer of electric light and medium-duty commercial vehicles ("ECV").
- Cenntro's purpose-built ECVs are designed for serving a variety of corporate and government organizations in support of city services, last-mile delivery and other commercial applications.
- Cenntro's cutting-edge technological research and development capabilities and IP include vehicle design, digital component development, vehicle control software and "smart" driving putting Cenntro at the forefront of the technical evolution of the ECV market.

CENNTRO

Early to Market – a Commercial Electronic Vehicle Leader

- Cenntro was an early entrant in commercial EV, investing significantly since 2013.
- Cenntro has produced and delivered over 3,300 commercial electric vehicles, more than any other company.
- Cenntro has a strong technology backbone, having over 238 patents granted to protect its IP.

3,300+ Vehicles delivered	**32+** Countries certified	**$5.5M** FY 2020 Revenue
20M+ Est. miles traveled	**26+** Countries shipped	**$2.1B** 2023 Est. Revenue
238+ Patents granted	**6+** Assembly plants	**25%+** Gross Margin

Competitive Advantages

- Production is through a "capital-lite" operating model allowing it to add and scale facilities without the traditional capital intensive investments in plant and infrastructure its peers face.
- Cenntro's established tier one supply-chain provides a reliable volume source of components supporting the company's demand, despite industry-wide supply chain disruptions.
- The company has already produced and sold commercial quantities of electric vehicles in 26+ countries.
- We believe Cenntro's gross margin is the highest in the global commercial electric vehicle industry today.
- The IP in Cenntro's "Advanced System-on-chip" (SOC) technology and Artificial Intelligence (AI) enables autonomous driving across multiple applications today and into the future.
- Cenntro's new model pipeline is anticipated to launch in both 2021 and 2022 across multiple markets.

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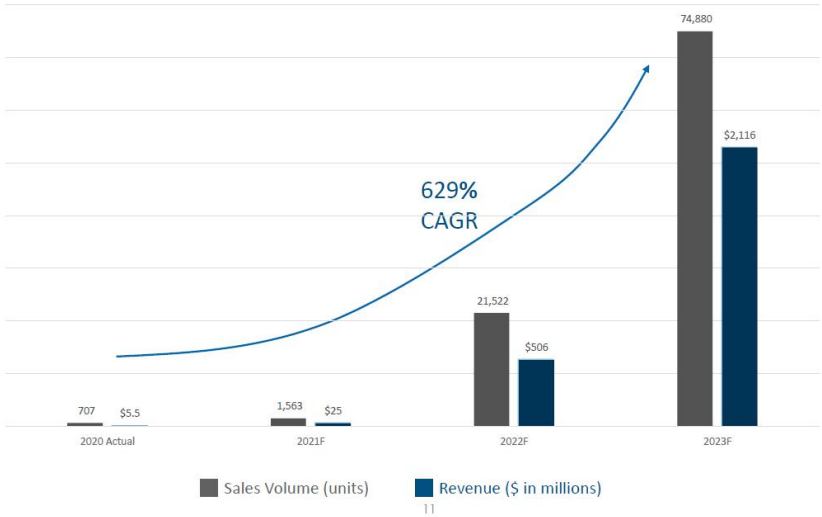
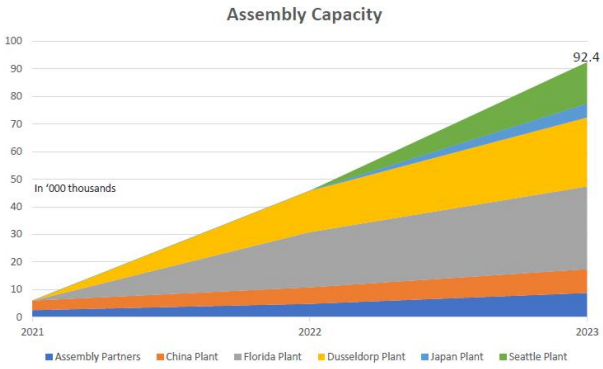
Significant Revenue and Sales Growth Anticipated



Current and Future Production Capacity

- Assembly Partners (6 Current facilities)
- China (Current)
- Jacksonville, U.S.A. (Q1/2022)
- Dusseldorf, Germany (Q1/2022)
- Japan (Q4/2022)
- Seattle, U.S.A. (Q2/2023)





Commercial Electric Vehicles - Explosive Market Opportunity

- Cenntro's Advanced System On Chip (SOC) technology and AI differentiates it from competitors with its iPhone-like functions that enable autonomous driving applications.

- Commercial electric vehicle demand is expected to increase 15-fold in the next six months.*
  - According to leading energy consultancy Wood Mackenzie, the commercial EV market will expand from a low base today to global sales of 3 million by 2025 and 9 million by 2030.
  - Lightweight Commercial EV penetration will grow from 1% in 2021 to 31% in 2030.**

- Global demand for green energy solutions has never been greater supported, by a favourable environmental and regulatory framework.

- We anticipate that the vehicles will be eligible for federal, state and local incentives that can range from $30,000 to $60,000 per vehicle.

* Economic Times published Sept 27, 2021
** Bloomberg NEF 2021

Attractive Entry Valuation Relative to Comps

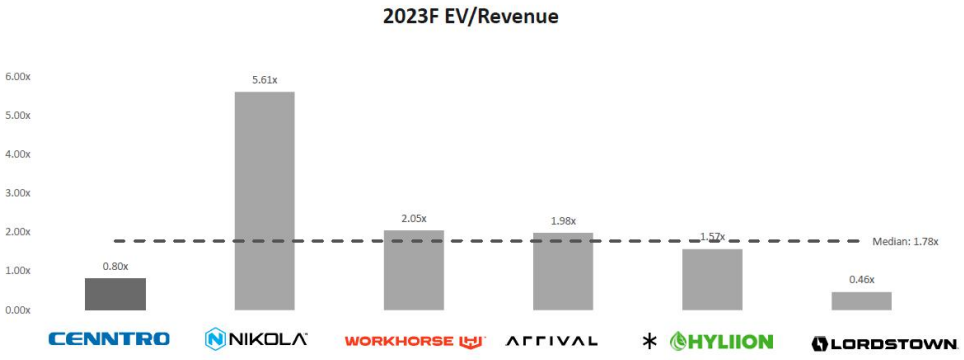
- Cenntro is the only company that sold a commercial quantity of vehicles and generated meaningful revenue in 2020.
- Arrival has a $10 Billion valuation and has indicated it will deliver no vehicles this year and will only begin testing vehicles on the road in the first quarter of 2022.
- Nikola has a valuation of over $5 Billion and Cenntro is expected to deliver ten times the number of Commercial Electric Vehicles as Nikola this year.

	Company produces Commercial EV	Market Cap[1]	LT 2020 EV Delivered	2020A Revenue	2021F Revenue	2023F Revenue	2023F EV/Revenue
	CENNTRO	Private	>3,300	$5.5 M	$25 M	$2.1B	0.80x
IPO	RIVIAN	$55B*	0	$0	n.a.	n.a.	n.a.
SPAC	ARRIVAL	$10.6B	0	$0	-	$5.1 B	1.98x
SPAC	NIKOLA	$5.1B	0	$95K	$19.3M	$885M	5.61x
SPAC	HYLIION	$1.4B	0	$0	$1.5M	$885M	1.57x
SPAC	LORDSTOWN	$1.0B	0	$0	$65.5M	$2 B	0.46x
SPAC	WORKHORSE	$.9B	<100	$1.4 M	$75.2M	$395M	2.05x

1: Market Cap as of 11/4/2021 *: Estimated Market Cap $55B.

Equity Value ('EV'): Source: FactSet

Attractive Entry Valuation Relative to Comps (EV/Revenue)



naked brand group.

Equity Value ('EV'): Source: FactSet

Established End User Customer Base and Partner Network

- Cenntro has an extensive established channel and strategic partner network across the United States, Europe and Southeast Asia.
- The growth of Cenntro's company-operated in-market assembly facilities through the capital accessed via this transaction will expand its production volume capabilities, initially in Jacksonville, Florida and Dusseldorf in Germany, to meet sales demand and forecasts.

Strong Existing Vehicle Pipeline with Anticipated Launch Dates

METRO

- Urban Delivery vehicle
- Urban services
- Campus & Resorts
- N1/L7e/NEV

LOGISTAR 400

- Last mile delivery vehicle
- Service truck
- Mobile vending
- Class 4

NEIBOR 200

- Neighbourhood Delivery
- Instant/on-demand delivery
- Service vehicle
- L7e

LOGISTAR 200

- Last mile delivery in Europe
- Urban utility vehicle
- General urban purpose
- N1

TERRAMACK

- Utility Vehicle
- Agricultural use
- Leisure and resort
- ORV

Launch date	In market	11/21	12/21	12/21	2/22

Leading Evolution to Artificial Intelligence & Commercial Autonomous Driving

- Cenntro is at the forefront of Commercial Vehicle Artificial Intelligent and Autonomous Driving.
- Cenntro's Advanced System On Chip (SOC) technology embeds all of the Driving Control and computing software, hardware and the processor on a single chip creating a fully digitized Autonomous Driving Control System.
- Cenntro's unique "chip" and IP puts it at the forefront of the global commercial EV industry and its evolution into Autonomous Driving and AI controlled vehicle functionality.

Future Growth Driver - Cenntro iChassis platform for Autonomous Driving Applications

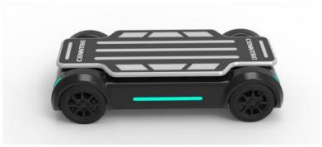
- Cenntro's iChassis has iPhone-like functions that allow app installations for different Autonomous Driving Applications
- Apps can be downloaded to the Cenntro iChassis for different vertical uses, which will also enable a future recurring revenue model for Cenntro
- Applications include autonomous driving for city delivery, city sanitation, city surveillance, mobile vending, auto transportation and rescue
- Initial production of the Cenntro iChassis anticipated in Q3 2022. Cenntro owns 100% of the IP in this technology

Street Sweeper Robot

Autonomous Transporter

Material Handling Robot

Mobile Vending Machine



Mobile Service Station

Auto-patrol Car

Autonomous City Deliver Truck

Automotive Package Delivery Cart

Key Milestones Expected Over The Next 18 Months

- Close transaction by year end 2021, with $282M in capital and no debt.
- Assembly to start at new facility in Jacksonville, Florida with annual assembly capacity of 20,000 vehicles, in early 2022.
- Assembly to start at new facility in Dusseldorf, Germany with annual assembly capacity of 15,000 vehicles by year end, in early 2022.
- First commercial volume of Cenntro iChassis Autonomous Driving delivered into market
- Announce new customer partnerships and new markets
- Delivery of new vehicle models into various markets
- Further development of proprietary technology including AI platform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