AQUILA ACQUISITION CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 7836)
(Warrant Code: 4836)

Interim Report 2022

The board (the "**Board**") of directors (the "**Directors**") of Aquila Acquisition Corporation (the "**Company**") presents the interim report of the Company for the six months ended 30 June 2022.

CONTENTS

	Page
Corporate Information	3
Management Discussion and Analysis	4
Other Information	8
Condensed Statement of Profit or Loss and Other Comprehensive Income	13
Condensed Statement of Financial Position	14
Condensed Statement of Changes in Equity	15
Condensed Statement of Cash Flows	16
Notes to the Condensed Interim Financial Statements	17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Rongfeng JIANG *(Chairman and Chief Executive Officer)*
Mr. Yao LING *(Chief Financial Officer)*
Ms. Di LE *(Chief Operating Officer)*

Non-Executive Directors

Ms. Qian WU
Ms. Xiaoxiao QI

Independent Non-Executive Directors

Mr. Lei ZHONG
Dr. Fangxiong GONG
Mr. Kim Lam NG

AUDIT COMMITTEE

Mr. Kim Lam NG *(Chairman)*
Ms. Qian WU
Mr. Lei ZHONG

NOMINATION COMMITTEE

Mr. Rongfeng JIANG *(Chairman)*
Dr. Fangxiong GONG
Mr. Kim Lam NG

REMUNERATION COMMITTEE

Mr. Lei ZHONG *(Chairman)*
Mr. Yao LING
Dr. Fangxiong GONG

PROMOTERS

CMB International Asset Management Limited
Mr. Rongfeng JIANG
Mr. Yao LING
Ms. Di LE
Ms. Qian WU

ADVISORY BOARD

Mr. Ju ZHAO *(Chairman)*
Mr. Hongbo WANG
Dr. Kexiang ZHOU
Mr. Guozheng YU

COMPANY SECRETARY

Ms. Siu Kuen LAI

AUTHORISED REPRESENTATIVES

Mr. Yao LING
Ms. Di LE

AUDITOR

BDO Limited
(Certified Public Accountants and Registered Public Interest Entity Auditor)

LEGAL ADVISERS

As to Hong Kong and U.S. laws:
Freshfields Bruckhaus Deringer

As to Cayman Islands laws:
Maples and Calder (Hong Kong) LLP

COMPLIANCE ADVISER

Altus Capital Limited

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Champion Tower
3 Garden Road, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Financial Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

TRUSTEE OF THE ESCROW ACCOUNT

CCB (Asia) Trustee Company Limited

COMPANY WEBSITE

www.aquilaacq.com.hk

STOCK CODE

7836

WARRANT CODE

4836

LISTING DATE

18 March 2022

The Board presents the unaudited condensed interim results of the Company for the six months ended 30 June 2022, together with the comparative figures for the period from 25 November 2021 (the date of incorporation of the Company) to 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Company is a special purpose acquisition company formed for the purpose of effecting a business combination ("**De-SPAC Transaction**") with one or more businesses ("**De-SPAC Targets**"). In identifying the De-SPAC Targets, the Company intends to concentrate its efforts on technology-enabled companies in new economy sectors (such as green energy, life sciences and advanced technology and manufacturing) in Asia, with a focus on China, although it may pursue a De-SPAC Target in any sector.

The Company completed an offering of its Class A shares and listed warrants (the "**Offering**") on 18 March 2022 (the "**Listing Date**"). The Offering comprised 100,065,000 Class A shares at an offer price of HK$10.00 per Class A share and 50,032,500 listed warrants. The Company received gross proceeds of HK$1,000,650,000 from the Offering, which was deposited in a ring-fenced escrow account (the "**Escrow Account**") and held in the form of restricted bank deposits. Simultaneously with the Offering, the promoters of the Company (the "**Promoters**") subscribed for 39,000,000 promoter warrants at a price of HK$1.00 per promoter warrant. The promoter warrants are not listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

As of the date of this report, the Company has not yet selected any De-SPAC Target and has not used any of the gross proceeds received from the Offering.

OUTLOOK

The Company will not generate any operating revenue until after the completion of the De-SPAC Transaction. The Company expects to generate non-operating income in the form of interest and other income on the proceeds from the Offering held in the Escrow Account and the sale of the Class B shares and promoter warrants. The Company will continue to incur expenses as a publicly listed company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses related to prospective De-SPAC Transactions.

The Company intends to effectuate the potential De-SPAC Transaction using (i) cash from the proceeds of the Offering; (ii) proceeds from the sale of its Class B shares and promoter warrants; (iii) proceeds from independent third party investments; (iv) funds from any forward purchase agreements or backstop agreements that the Company may enter into; (v) loans from its promoters or their affiliates; (vi) shares issued to the owners of the De-SPAC Target; and (vii) any other equity or debt financing, or a combination of the foregoing. Please refer to "*Risk Factors – Risks Relating to the Company and the De-SPAC Transaction*" in the offering circular of the Company dated 14 March 2022 (the "**Offering Circular**") for risks relating to De-SPAC Transactions.

BUSINESS REVIEW

During the six months ended 30 June 2022, the Company did not engage in any operations and did not generate any revenue. The Company's only activities from its incorporation to 30 June 2022 were organisational activities related to its incorporation, the Offering, and since the closing of the Offering, the search for prospective De-SPAC Targets. As of the date of this report, there have been no material events affecting the Company or its listed securities since 31 December 2021.

FINANCIAL REVIEW

The following table sets forth the Company's unaudited statement of profit or loss and other comprehensive income for the six months ended 30 June 2022.

	Six months ended 30 June 2022 *HK$'000* **(unaudited)**
Revenue	**–**
Other income and loss	**510**
Change in fair value of warrant liabilities	**(4,953)**
Amortisation of transaction cost on redeemable Class A shares	**(61,524)**
Listing expenses	**(3,940)**
Administrative expenses	**(24,074)**
Loss before income tax expense	**(93,981)**
Income tax expense	**–**
Loss and total comprehensive loss for the period	**(93,981)**
Loss per share (Basic and diluted)	**HK$2.73**

For the six months ended 30 June 2022, the Company had a loss and total comprehensive loss for the period of HK$94.0 million, which consisted of change in fair value of warrant liabilities of HK$5.0 million, amortisation of transaction cost on redeemable Class A shares of HK$61.5 million, listing expenses of HK$3.9 million, administrative expenses of HK$24.1 million, which were partially offset by other income and loss of HK$0.5 million.

Revenue

The Company did not generate any revenue in the six months ended 30 June 2022.

Other income and loss

The Company's other income and loss during the six months ended 30 June 2022 mainly consisted of bank interest income, primarily representing interest income on the gross proceeds of the Offering held in the Escrow Account.

Change in fair value of warrant liabilities

The Company recorded change in fair value of warrant liabilities of HK$5.0 million in the six months ended 30 June 2022, which represented the adjustment to the fair value of the Company's warrant liabilities to reconcile the initial fair value of the warrant liabilities with the transaction price of the warrant liabilities.

Amortisation of transaction cost on redeemable Class A Shares

The Company recorded amortisation of transaction cost on redeemable Class A shares of HK$61.5 million in the six months ended 30 June 2022, which represented the portion of the listing expenses (including underwriting commissions for the Offering and deferred underwriting commissions payable upon completion of a De-SPAC Transaction) incurred in connection with the issuance of the Class A shares.

Listing expenses

The Company recorded listing expenses of HK$3.9 million in the six months ended 30 June 2022, which represented the portion of listing expenses (including underwriting commissions for the Offering and deferred underwriting commissions payable upon completion of a De-SPAC Transaction) attributable to the issuance of the listed warrants and promoter warrants.

Administrative expenses

The Company incurred administrative expenses of HK$24.1 million in the six months ended 30 June 2022, which were mainly share based payment expenses relating to the Class B shares and promoter warrants.

Loss and total comprehensive loss for the period

As a result of the foregoing, the Company incurred a loss and total comprehensive loss for the period of HK$94.0 million in the six months ended 30 June 2022.

LIQUIDITY AND CAPITAL RESOURCES

As of 30 June 2022, the Company had non-current assets of HK$1,000.7 million in the form of restricted bank deposits, and current assets of HK$10.7 million, mainly consisting of cash and cash equivalents of HK$10.5 million. As of 30 June 2022, the Company had current liabilities of HK$1,043.4 million, mostly consisting of redeemable Class A shares of HK$1,000.7 million.

Restricted bank deposits

The Company's restricted bank deposits was HK$1,000.7 million as of 30 June 2022 and nil as of 31 December 2021. The increase represented the gross proceeds the Company received from the Offering, which are held in the Escrow Account in the form of cash or cash equivalents and recorded as restricted bank deposits.

Cash and cash equivalents

The Company had cash and cash equivalents of HK$10.5 million as of 30 June 2022, as compared to nil as of 31 December 2021. The increase was due to proceeds that the Company received from the placement of its Class B shares and promoter warrants (after deducting underwriting commission in connection with the Offering and other offering-related expenses) which are held outside of the Escrow Account.

Redeemable Class A shares

The Company's redeemable Class A shares of HK$1,000.7 million as of 30 June 2022 represented the carrying amount of its Class A shares. The Company did not have any redeemable Class A shares as of 31 December 2021.

Borrowings

The Company (as borrower) entered into a loan agreement on 13 March 2022 with the Promoters and AAC Mgmt Holding Ltd in relation to a HK$20 million unsecured loan facility. As of the date of this report, no amount had been drawn down under the loan facility.

The Company had amounts due to a promoter of HK$0.7 million as of 30 June 2022, which are unsecured, interest free and repayable on demand.

As such, gearing ratio is not applicable to the Company.

Accruals and other payable

As of 30 June 2022, the Company had accruals and other payables of HK$37.1 million, mainly consisting of deferred underwriting commission which is payable upon the completion of a De-SPAC Transaction.

OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

The Company did not have any material subsequent event after the six months ended 30 June 2022 and up to the date of this report.

DIVIDEND

As disclosed in the Offering Circular, the Company does not intend to pay cash dividends prior to the completion of a De-SPAC Transaction.

EMPLOYEES

The Company has no employees. The Company's Executive Directors and senior management are employees of CMB International Capital Corporation Limited, being the parent company of CMB International Asset Management Limited, one of the Promoters.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As the Company is a special purpose acquisition company, there were no significant investments held or acquisitions by the Company during the six months ended 30 June 2022, and the Company has no, and has not conducted any acquisition or disposals of, subsidiaries, associates or joint ventures. Save with regards to effectuating a potential De-SPAC Transaction as disclosed in the Offering Circular, the Company currently has no future plan for material investments or additions of capital assets.

PLEDGE OF ASSETS

As of 30 June 2022 and 31 December 2021, the Company did not pledge any of its assets.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Other than securities issued in the Offering, during the period from the Listing Date to 30 June 2022, the Company did not purchase, sell or redeem any of its listed securities.

CONTINGENT LIABILITIES

As of 30 June 2022, the Company did not have any contingent liabilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

During the six months ended 30 June 2022, the Company did not engage in any operations and therefore, was not exposed to fluctuations in exchange rates and did not enter into any forward exchange contract to hedge foreign exchange risk.

USE OF PROCEEDS

In March 2022, the Company issued 100,065,000 Class A shares at an offer price of HK$10.00 per Class A share and 50,032,500 listed warrants and received gross proceeds of HK$1,000,650,000 pursuant to the Offering, which was deposited in the Escrow Account and held in the form of restricted bank deposits. There was no change to the intended use of the gross proceeds of the Offering as disclosed in the Offering Circular. The gross proceeds from the Offering is held in and can only be released from the Escrow Account under the circumstances and timeline as disclosed in the Offering Circular and permitted under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

In March 2022, the Company issued 39,000,000 promoter warrants at a price of HK$1.00 per promoter warrant and received gross proceeds of HK$39,000,000 pursuant to the private placement of promoter warrants to the Promoters, as further described in the Offering Circular. During the period from the Listing Date to 30 June 2022, HK$16,115,000 of the gross proceeds of the private placement were used to pay underwriting commission to the underwriters of the Offering, HK$14,326,000 were used to pay other Offering-related expenses, and HK$8,559,000 were used to fund the Company's working capital requirements.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Board has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules during the period from the Listing Date to 30 June 2022 with the exception of code provision C.2.1, which requires the roles of chairman and chief executive to be held by different individuals.

Code provision C.2.1 of Part 2 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Rongfeng Jiang currently serves as the Chairman of the Board as well as the Chief Executive Officer of the Company. The Board considers that, given Mr. Jiang's wealth of experience in asset management and private equity investment, vesting the roles of Chairman and Chief Executive Officer in Mr. Jiang enhances effective decision-making of the Company and is beneficial to the business prospects and management of the Company. Taking into account the corporate governance measures that the Company has implemented and the nature of the Company as a special purpose acquisition company, the Board considers that the deviation from code provision C.2.1 is appropriate in the circumstances of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a dealing policy no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules regarding securities transactions of the Directors. After specific enquiry made by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code during the period from the Listing Date to 30 June 2022.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") which comprises two Independent Non-Executive Directors, namely Mr. Kim Lam NG (as chairman) and Mr. Lei ZHONG, and a Non-Executive Director, namely Ms. Qian WU.

The Company's interim results for the six months ended 30 June 2022 have been reviewed by the Audit Committee of the Company.

CHANGES TO DIRECTORS' INFORMATION

The Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, none of the Directors or chief executive of the Company had any interest and/or short positions (as applicable) in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest and/or a short position (as applicable) in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholder	Capacity/Nature of Interest	Number of Shares and Underlying Class A Shares Held	Approximate Percentage of Class A Shares (%)	Long/Short Position
China Merchants Bank Co., Limited	Interest in a controlled corporation	19,904,767 (1)-(4)	19.89	Long
CMB International Asset Management Limited	Interest in a controlled corporation	19,904,767 (1)-(4)	19.89	Long
CMB International Capital Corporation Limited	Interest in a controlled corporation	19,904,767 (1)-(4)	19.89	Long
CMB International Capital Holdings Corporation Limited	Interest in a controlled corporation	19,904,767 (1)-(4)	19.89	Long
UBS Group AG	Interest in a controlled corporation	17,133,810 (5)	17.12	Long
	Interest in a controlled corporation	2,205,000 (5)	2.20	Short
CMBI AM Acquisition Holding LLC	Beneficial owner	14,079,000 (2)-(4)	14.07	Long
UBS AG	Beneficial owner	10,203,810 (5)	10.20	Long
	Interest in a controlled corporation	2,205,000 (5)	2.20	Short
UBS O'Connor LLC	Investment manager	6,930,000 (5)	6.93	Long
CMB International Investment Management Limited	Interest in a controlled corporation	5,825,767 (1)	5.82	Long
CMB International Private Investment Limited	Other	5,825,767 (1)	5.82	Long
Morgan Stanley	Interest in a controlled corporation	5,760,651 (6)	5.75	Long
CMBI Private Equity Series B SPC	Beneficial owner	5,453,910 (1)	5.45	Long
Morgan Stanley & Co. International plc	Beneficial owner	5,036,093 (6)	5.03	Long
Morgan Stanley International Holdings Inc.	Interest in a controlled corporation	5,036,093 (6)	5.03	Long
Morgan Stanley International Limited	Interest in a controlled corporation	5,036,093 (6)	5.03	Long
Morgan Stanley Investments (UK)	Interest in a controlled corporation	5,036,093 (6)	5.03	Long

Notes:

(1) CMB Global Access SPC and CMBI Private Equity Series B SPC are interested in 371,857 and 5,453,910 Class A shares of the Company, respectively, which include 890,767 Class A shares underlying listed derivatives (convertible instruments). CMB International Asset Management Limited is the investment manager, and CMB International Private Investment Limited is holding the management shares (carrying voting rights), of CMB Global Access SPC and CMBI Private Equity Series B SPC. CMB International Private Investment Limited is wholly owned by CMB International Investment Management Limited, which is wholly owned by CMB International Capital Corporation Limited. Each of CMB International Private Investment Limited, CMB International Investment Management Limited and CMB International Capital Corporation Limited is deemed to be interested in the Class A shares of the Company held by CMB Global Access SPC and CMBI Private Equity Series B SPC.

(2) CMB International Asset Management Limited is deemed to be interested in the promoter warrants and Class B shares of the Company held by CMBI AM Acquisition Holding LLC, its 90%-owned subsidiary.

(3) CMB International Asset Management Limited is wholly owned by CMB International Capital Corporation Limited, which is owned as to approximately 83.2% by CMB International Capital Holdings Corporation Limited and 16.8% by CMB Wing Lung Bank Limited. Each of CMB International Capital Holdings Corporation Limited and CMB Wing Lung Bank Limited are in turn wholly-owned by China Merchants Bank Co., Limited. Each of China Merchants Bank Co., Limited, CMB International Capital Holdings Corporation Limited, CMB International Capital Corporation Limited and CMB International Asset Management Limited is deemed to be interested in (i) the promoter warrants and Class B shares of the Company held by CMBI AM Acquisition Holding LLC and (ii) the Class A shares of the Company held by CMB Global Access SPC and CMBI Private Equity Series B SPC.

(4) Represents interest in the underlying Class A shares of the promoter warrants of the Company. On the basis of a cashless exercise of the promoter warrants and subject to the terms and conditions under the promoter warrant agreement (including the exercise mechanism and anti-dilution adjustments) entered into between the Company, the Promoters, CMBI AM Acquisition Holding LLC and AAC Mgmt Holding Ltd, the promoter warrant may be exercised for a maximum of 14,079,000 Class A shares of the Company in the aggregate.

(5) Based on the information set out in the relevant disclosure made by the relevant substantial shareholder(s), UBS AG and UBS O'Connor LLC are both wholly-owned subsidiaries of UBS Group AG. Therefore, UBS Group AG is deemed to be interested in the Class A shares of the Company held by UBS AG and UBS O'Connor LLC, respectively. Among the Class A shares in long position and short position held by UBS AG, 5,049,406 Class A shares in long position represent the Class A shares underlying listed derivatives – physically settled. Among the Class A shares in long position held by UBS O'Connor LLC, 3,465,000 Class A shares in long position represent Class A shares underlying listed derivatives – physically settled.

(6) Based on the information set out in the relevant disclosure made by the relevant substantial shareholder(s), such Class A shares of the Company are held through certain controlled corporations of Morgan Stanley. Among the Class A shares in long position indirectly held by Morgan Stanley, 508,984 Class A shares in long position represent Class A shares underlying listed derivatives – physically settled.

Save as disclosed above, as at 30 June 2022, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest and/or short position (as applicable) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this interim report, at no time during the period from the Listing Date to 30 June 2022 was the Company a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	**For the period from 1 January 2022 to 30 June 2022**	For the period from 25 November 2021 (date of incorporation) to 31 December 2021
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Revenue	*6*	**–**	–
Other income and loss	*6*	**510**	–
Change in fair value of warrant liabilities	*17*	**(4,953)**	–
Amortisation of transaction cost on redeemable Class A Shares	*14*	**(61,524)**	–
Listing expenses		**(3,940)**	–
Administrative expenses		**(24,074)**	(94)
Loss before income tax expense	*7*	**(93,981)**	(94)
Income tax expense	*8*	**–**	–
Loss and total comprehensive loss for the periods		**(93,981)**	(94)
Loss per share	*9*		
– Basic and diluted (HK$)		**(2.73)**	(93,653.63)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	**As at 30 June 2022** ***HK$'000*** **(Unaudited)**	As at 31 December 2021 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Restricted bank deposits	*11*	**1,000,650**	–
		1,000,650	–
CURRENT ASSETS			
Amount due from a promoter	*13*	**–**	–*
Other receivable		**157**	–
Cash and cash equivalents		**10,520**	–
		10,677	–
CURRENT LIABILITIES			
Accruals and other payable	*12*	**37,052**	94
Amount due to a promoter	*13*	**721**	–
Redeemable Class A Shares	*14*	**1,000,650**	–
Warrant liabilities	*14*	**4,953**	–
		1,043,376	94
NET CURRENT LIABILITIES		**(1,032,699)**	(94)
NET LIABILITIES		**(32,049)**	(94)
EQUITY			
Share capital	*15*	**6**	–*
Reserves		**(32,055)**	(94)
TOTAL DEFICITS		**(32,049)**	(94)

* *Less than HK$1,000*

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022

		Reserves		
	Share capital *HK$'000*	**Share option reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Total deficits** *HK$'000*
Issue of shares upon incorporation *(note 15)*	–*	–	–	–*
Loss and total comprehensive loss for the period	–	–	(94)	(94)
At 31 December 2021 and 1 January 2022 (Audited)	–*	–	(94)	(94)
Loss and total comprehensive loss for the period	–	–	(93,981)	(93,981)
Issue of new shares during the period *(note 15)*	6	–	–	6
Surrendered of share *(note 15)*	(–)*	–	–	(–)*
Share based payment *(note 16)*	–	62,020	–	62,020
At 30 June 2022 (Unaudited)	**6**	**62,020**	**(94,075)**	**(32,049)**

* *Less than HK$1,000*

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	For the period from 1 January 2022 to 30 June 2022	For the period from 25 November 2021(date of incorporation) to 31 December 2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Net cash flows used in operating activities	**(29,056)**	–
Net cash flows generated from an investing activity	**570**	–
Net cash flows generated from financing activities	**39,006**	–
Net increase in cash and cash equivalents	**10,520**	–
Cash and cash equivalents as at 1 January 2022	**–**	–
Cash and cash equivalents at the end of period	**10,520**	–
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**10,520**	–

Major non-cash Transactions

During six months ended 30 June 2022, the Company had issued 100,065,000 Class A shares (the "**Class A Shares**") together with 50,032,500 Listed Warrants for an aggregate price of HK$10.00 per share. The gross proceeds of HK$1,000,650,000 from the Initial Public Offering are placed in an escrow account (the "**Escrow Account**") included in "restricted bank deposit" as at 30 June 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION AND BUSINESS OPERATION

Aquila Acquisition Corporation (the "**Company**") is a blank check company and was incorporated in the Cayman Islands as an exempted company with limited liability on 25 November 2021. The Company is a special purpose acquisition company ("**SPAC**") and at an early stage, as such, the Company is subject to all of the risks associated with early stage companies. The Company is incorporated for the purpose of an acquisition of, or a business combination with, a De-SPAC transaction target ("**De-SPAC Target**") by the Company that results in the listing of a successor company (the "**De-SPAC Transaction**"). The Company has not yet selected any potential business combination target and has not entered into any binding agreement with respect to any potential De-SPAC Transaction.

The address of the Company's registered office is PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands.

The ultimate holding company of the Company is China Merchants Bank Co., Limited.

CMB International Asset Management Limited, Mr. Rongfeng Jiang, Mr. Yao Ling, Ms. Di Le and Ms. Qian Wu are the promoters (the "**Joint Promoters**").

The Company has not had any other business operations other than administration related to establishing SPAC entity and identifying acquisition target. The Company is not expected to generate any operating revenues other than interest income until after the completion of the De-SPAC Transaction, at the earliest.

The Company has selected 31 December as its financial year end. The Interim Financial Statements contain six months results covering the period from 1 January 2022 to 30 June 2022 while the comparative financial information covered the period from 25 November 2021 (date of incorporation) to 31 December 2021. As a result, the information contained in the Interim Financial Statements may not be comparable to previously reported period.

The Company has 100,065,000 Class A Shares and 50,032,500 listed warrants (the "**Listed Warrants**") issued and outstanding as at 30 June 2022, which are traded on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 18 March 2022. The Company also has 25,016,250 Class B shares (the "**Class B Shares**") and 39,000,000 promoter warrants (the "**Promoter Warrants**") issued and outstanding as at 30 June 2022 that are not listed on the Stock Exchange.

The Class B Shares are convertible into Class A Shares on a one-for-one basis at or following the completion of the De-SPAC Transaction, subject to anti-dilution adjustment.

The Listed Warrants will be exercisable 30 days after the completion of the De-SPAC Transaction up to the date immediately preceding the fifth anniversary of the date of the completion of the De-SPAC Transaction.

The Listed Warrants will expire on the date falling five years after the date of the completion of the De-SPAC Transaction or earlier upon redemption or liquidation.

The Promoter Warrants may not be transferred except in the very limited circumstances permitted by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rule**") and subject to compliance with the requirements thereof. The Promoter Warrants are not exercisable until 12 months after the completion of the De-SPAC Transaction as required by the Listing Rules. Except as describe above, the Promoter Warrants have terms and provisions that are identical to those of the Listed Warrants.

The gross proceeds of HK$1,000,650,000 from the Listing of Class A Shares are placed in the Escrow Account. Except for interest and other income earned from the funds held in the Escrow Account that may be released to the Company to pay its expenses, the proceeds from the Listing will not be released from the Escrow Account other than to:

(i) complete of the De-SPAC Transaction; in connection with which the funds held in the Escrow Account will be used to pay, amounts due to Class A Shareholders who exercise their redemption rights, all or a portion of the consideration payable to the De-SPAC Target or owners of the De-SPAC Target, to repay any loans drawn under loan facility provided by the Promoters, and other expenses associated with completing the De-SPAC Transactions;

(ii) meet redemption requests of holders of the Class A Shares in connection with a Shareholder vote to modify the timing of the Company's obligation to announce a De-SPAC Transaction within 24 months from 18 March 2022 (the "**Listing Date**") or complete the De-SPAC Transaction within 36 months of the Listing Date, respectively (or, if these time limits are extended pursuant to Class A Shareholder vote and in accordance with the Listing Rules and the De-SPAC Transaction is not announced or completed, as applicable, within such extended time limits), or approve the continuation of the Company following a material change in the Promoters or Directors as provided for in Rule 18B.32 of the Listing Rules;

(iii) return funds to holders of the Class A Shares upon the suspension of trading of the Class A Shares and the Listed Warrants;

(iv) return funds to holders of Class A Share upon the liquidation or winding up of the Company.

The Class A Shareholders will be entitled to redeem their Class A Shares for a pro rata portion of the amount then in the Escrow Account of an amount not less than HK$10.00 per Class A Shares, plus any pro rata interest then in the Escrow Account, net of taxes payable. Both the Listed Warrants and Promoter Warrants have no redemption right.

Under the Listing Rules, at the time of the Company's entry into a binding agreement for a De-SPAC Transaction, a De-SPAC Target must have a fair market value representing at least 80% of the funds raised by the Company from the Listing (prior to any redemptions). If less than 100% of the equity interests or assets of a De-SPAC Target is acquired by the Company, the portion of such De-SPAC Target that is acquired will be taken into account for the purposes of the 80% of proceeds test described above, provided that in the event that the De-SPAC Transaction involves more than one De-SPAC Target, the 80% of proceeds test will be applied to each of the De-SPAC Targets being acquired. However, the Company will only complete a De-SPAC Transaction if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the De-SPAC Target. There is no assurance that the Company will be able to successfully effect a De-SPAC Transaction.

The Company has only 36 months from the closing of the Listing (the "**De-SPAC Period**") to complete the De-SPAC Transaction. If the Company is unable to complete the De-SPAC Transaction within the De-SPAC Period (or within the extension period, if any), the Company will:

(i) cease all operations except for the purpose of winding up;

(ii) suspend the trading of the Class A Shares and the Listed Warrants;

(iii) as promptly as reasonably possible but no more than one month thereafter, distribute the amounts held in the Escrow Account to the holders of Class A Shares on a pro rata basis, provided that the amount per Class A Share must be not less than HK$10.00; and

(iv) liquidate and dissolve the Company,

subject in the case of clauses (iii) and (iv), to the Company's obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law.

There will be no redemption rights or liquidating distributions with respect to the Listed Warrants and Promoter Warrants, which will expire worthless if the Company fails to complete its De-SPAC Transaction within the De-SPAC Period, or if the Company fail to obtain the requisite approvals in respect of the continuation of the Company following a material change in the Promoters or Directors as provided in Rule 18B.32 of the Listing Rules.

The Joint Promoters have agreed to waive their rights to liquidating distributions from the Escrow Account with respect to their Class B Shares in all circumstances.

The deferred underwriting fee will not be payable by the Company to the underwriters in the event that the Company do not completed a De-SPAC Transaction.

2. BASIS OF PREPARATION AND PRESENTATION

(a) Basis of preparation and statement of compliance

The unaudited condensed interim financial statements (the "**Interim Financial Statements**") for the period from 1 January 2022 to 30 June 2022 have been prepared in accordance with the applicable disclosures required by the Listing Rules and International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting", issued by the International Accounting Standards Board ("**IASB**"), and the applicable disclosure provisions of the Listing Rules on the Stock Exchange. The Interim Financial Statements does not include all information and disclosures required in the annual financial statements.

The interim financial statements have been prepared with the same accounting policies adopted in the 2021 annual financial statements.

The preparation of these interim financial statements in compliance with IAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. For the areas where significant judgments and estimates have been made in preparing these interim financial statements, the Company's accounting policies applied and the key sources of estimation uncertainty were the same as those that applied to 2021 annual financial statements.

It should also be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Application of amendments to International Financial Reporting Standards ("IFRSs")

In the current period, the Company has adopted all the new and revised IFRSs issued by the IASB that are relevant to its operations and effective for the accounting period beginning on 1 January 2022. The adoption of these new and revised IFRSs did not result in significant changes to the Company's accounting policies, presentation of the Company's financial statements and amounts reported for the current period.

The Company has not applied the new IFRSs that have been issued but are not yet effective. The Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on its financial position and performance.

(c) Going concern basis

As at 30 June 2022, the Company had HK$10,520,000 in cash and net current liabilities and net liabilities of HK$1,032,699,000 and HK$32,049,000 respectively. The Company incurred loss of HK$93,981,000 and net cash used in operating activities of HK$29,056,000 and expects to continue to incur significant costs in pursuit of effecting the De-SPAC Transaction, and the Company's cash and working capital as of 30 June 2022 are not sufficient for this purpose. Management plans to address this through the loan facility that are provided by the Joint Promoters. Based on a working capital forecast prepared by management for 33 months after the end of the reporting period, the Company would have sufficient financial resources to identify the suitable De-SPAC Target. However, the completion of the De-SPAC Transaction substantially depends upon the ability and insight of the Joint Promoters to identify the suitable target for the De-SPAC Transaction, successfully negotiate the completion of the De-SPAC Transaction and obtain the approval from the Stock Exchange. There is no assurance that the Company's plans to consummate the De-SPAC Transaction within the De-SPAC Period as detailed in note 1 to the financial statements.

These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may unable to realise its assets or discharge its liabilities in the normal course of business. Nevertheless, the Interim Financial Statements are prepared on the basis that the Company will continue as a going concern. These Interim Financial Statements do not include any adjustments that would have to be made to provide for any further liabilities which might arise should the Company be unable to continue as a going concern.

(d) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("**HK$**") which is also the functional currency of the Company and all amounts are rounded to the nearest thousand ("**HK$'000**") except otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements has been prepared in accordance with all applicable IFRSs.

The financial statements has been prepared on the historical cost except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

A fair-value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Company considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(c) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

(a) If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);

(b) In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferring by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of Profit or Loss until the instrument's fair value can be determined using market observable inputs or realised through settlement.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Company's ordinary course of business are presented as other income.

Financial assets

Classification and subsequent measurement of financial assets

The Company classifies its financial assets as:

- Those to be measured at amortised cost; and

- Those to be measured subsequently at fair value (at either fair value through other comprehensive income ("**FVTOCI**") or FVTPL).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at FVTOCI.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownerships.

Expected credit losses on financial assets at amortised cost

These financial assets are recognised at fair value and subsequently measured at amortised cost. At each reporting date, the Company measures the loss allowance on these financial assets at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Class B Shares are equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Class A Shares are recorded as financial liabilities as they have certain redemption features that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Class A Shares are measured at the present value of the amount that the Company might have to pay if the Class A Shares were redeemed.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading (including derivatives) or (iii) it is designated as at FVTPL.

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss.

The listed warrants are accounted for as derivative as they would not be settled only by exchanging a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments, and therefore do not meet the criteria for equity treatment.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(d) Foreign currencies

Transactions entered into by the Company in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "**functional currency**") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

(e) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(f) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits and highly liquid investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(h) Share capital

Class B Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Class B Shares issued on incorporation date are classified as equity as there are not redeemable and do not receive any proceeds on liquidation.

(i) Amount due from/(to) a promoter

This represents the subscription price of the Joint Promoter Shares payable by the Joint Promoters, which is a financial asset of the Company.

(j) Share-based payments

Where equity instruments are awarded to employees and others providing similar services, the fair value of services received is measured by reference to the fair value of the equity instrument at the grant date. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimates of number of equity instruments that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

For those arrangements where the terms provide either the Company or the counterparty with a choice of whether the Company settles the transaction in cash (or in other assets) or by issuing equity instruments, the Company shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the Company has incurred a liability to settle in cash (or other assets). Otherwise, the share-based payment transaction is accounted for as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

With respect to (i) the Promoter Warrants and (ii) the conversion feature contained in the Class B Shares (the "**Conversion Right**") such that the Class B Shares are convertible into Class A Shares concurrently with or following the completion of a De-SPAC Transaction, are accounted for as equity-settled share-based payment. The difference between the fair value of the Conversion Right in the Class B Shares and the Promoter Warrants and the subscription price paid by the Joint Promoters are recognised as equity-settled share-based payment cost with a corresponding increase in a reserve within equity.

The fair value of the Conversion Right in the Class B Shares and the Promoter Warrants are measured at the Listing Date, without taking into consideration of all non-market vesting condition. The total estimated fair value of the equity-settled share-based payment is spread over the vesting period based on the Company's estimate of equity instruments that will eventually vest. The Company identified the completion of a De-SPAC Transaction as the vesting condition.

(k) Related parties

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of key management personnel of the Company or the Company's parent.

(b) An entity is related to the Company if any of the following conditions apply:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary are fellow subsidiary is related to the others).

(ii) one entity is an associate or a joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of the employees of the Company or an entity related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Classification of the instruments issued by the Company

The Directors of the Company assessed the instruments issued by the Company whether they should be accounted for as share-based payment within the scope of IFRS 2 or as financial instruments within the scope of IAS 32 Financial instruments. This assessment involves consideration of all terms and conditions attached to the instruments and as to whether the instruments were issued by the Company for a service to the Company, potentially at a discount or subject to service or performance conditions. The Directors of the Company consider that Class A Shares and Listed Warrants are accounted for under IAS 32, whereas the Conversion Right attached to Class B Shares and Promoters Warrants are within the scope of IFRS 2.

Class A Shares: The Directors of the Company determined that Class A Shares are accounted for in accordance with IAS 32. Given that Class A Shares are redeemable automatically or at the option of Class A Shareholders in case of occurrence of triggering events that are outside of the Company's control, therefore Class A Shares do not meet the criteria for equity treatment and are recorded as financial liabilities.

Listed Warrants: The Directors of the Company determined that Listed Warrants are accounted for as derivative liabilities that are measured at FVTPL as they contain settlement options that considered not to meet the criteria for equity treatment under IAS 32.

Class B Shares: The Directors of the Company determined that Class B Shares are accounted for as equity instrument, while the Conversion Right attached to Class B Shares to be share-based payments in the scope of IFRS 2, with the completion of a De-SPAC Transaction to be identified as the vesting condition. The Conversion Right can only vest upon successful De-SPAC Transaction, which are determined to be granted to the Joint Promoters in return for the various activities and services performed on behalf of the Company in identifying an appropriate target for the De-SPAC Transaction and completing the De-SPAC Transaction.

Promoter Warrants: The Directors of the Company determined that Promoter Warrants are accounted for as share-based payments in the scope of IFRS 2 as the vesting of the Promoter Warrants will be tied to the services provided by the Promoters in relation to the completion of the De-SPAC Transaction. The Promoter Warrants will only be exercisable 12 months after the completion of the De-SPAC Transaction and they will be lapsed or expired if the Promoters leave the Company.

(b) Fair value measurement

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Valuation techniques include net present value and various market recognised pricing models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in determination of fair value.

(c) Going concern assumption

These Interim Financial Statements have been prepared on a going concern basis even though there were certain conditions as explained in note 2(c). In view of such circumstances, the Directors of the Company have given careful consideration to the future liquidity and performance of the Company and its available sources of financing in assessing whether the Company will be able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due. Certain measures as stated in note 2(c) have been and are being taken to manage the Company's liquidity needs and to improve its financial position.

Should the Company unable to continue as a going concern, adjustment would have to be made to write down the carrying amounts of assets to their net realisable amounts, to provide for any further liabilities that may arise to reclassify non-current assets as current assets. The effect of these potential adjustments has not been reflected in the Interim Financial Statements.

5. SEGMENT INFORMATION

The Company does not have separately reportable segments. The Company is incorporated for the purpose of effecting the De-SPAC Transaction.

6. REVENUE AND OTHER INCOME AND LOSS

(a) Revenue

The Company did not generate any revenue during the period from 1 January 2022 to 30 June 2022 (the period from 25 November 2021 (date of incorporation) to 31 December 2021: Nil).

(b) Other income and loss

	For the period from 1 January 2022 to 30 June 2022	For the period from 25 November 2021 (date of incorporation) to 31 December 2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank interest income	**570**	–
Exchange loss, net	**(60)**	–
	510	–

7. LOSS BEFORE INCOME TAX EXPENSE

	For the period from 1 January 2022 to 30 June 2022	For the period from 25 November 2021 (date of incorporation) to 31 December 2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss before income tax expense is arrived at after charging:		
Auditor's remuneration – non-assurance service	**100**	–
Staff costs:		
Share based payment expenses *(note 16)*	**23,020**	–
Directors' remuneration *(note 18)*	**207**	–
	23,227	–

8. INCOME TAX EXPENSE

No provision for income tax has been made as the Company had no assessable profits for the period from 1 January 2022 to 30 June 2022 and the period from 25 November 2021 (date of incorporation) to 31 December 2021.

The Company did not have material unrecognised deferred tax during the period or at the end of the reporting periods.

9. LOSS PER SHARE

The basic loss per share was calculated by dividing the loss for the period of approximately HK$93,981,000 (For the period from 25 November 2021 (date of incorporation) to 31 December 2021: HK$94,000), by the weighted average number of 34,372,417 ordinary shares (For the period from 25 November 2021 (date of incorporation) to 31 December 2021: 1 share) outstanding during the period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the period from 1 January 2022 to 30 June 2022, the redeemable Class A Shares, Listed Warrants and Promoter Warrants outstanding were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share is the same as the basic loss per share for the period.

There is no potential dilutive shares in issue during the period from 25 November 2021 (date of incorporation) to 31 December 2021.

10. DIVIDEND

No dividend was paid or proposed during the period from 1 January 2022 to 30 June 2022 (the period from 25 November 2021 (date of incorporation) to 31 December 2021: Nil), nor any dividend has been proposed since the end of the reporting periods.

11. RESTRICTED BANK DEPOSITS

Restricted bank deposits consist of the gross proceeds of HK$1,000,650,000 from the Initial Public Offering which are deposited in a ring-fenced Escrow Account domiciled in Hong Kong. The proceeds held in the Escrow Account are held in the form of cash or cash equivalents. The completion of the De-SPAC Transaction within the next 12 months is uncertain and therefore the proceeds deposited on the Escrow Account have been classified as non-current assets.

12. ACCRUALS AND OTHER PAYABLE

Accruals and other payable mainly comprise of deferred underwriting commission of approximately HK$35,023,000, which would be payable upon completion of the De-SPAC Transaction.

13. AMOUNTS DUE FROM/(TO) A PROMOTER

The amounts due from/(to) a promoter are unsecured, interest free and repayable on demand.

14. FINANCIAL LIABILITIES

The Company issued 100,065,000 Class A Shares together with 50,032,500 Listed Warrants for an aggregate price of HK$10.00 per share on 17 March 2022.

(a) Redeemable Class A Shares

The movements of the redeemable Class A Shares are as follows:

	For the period from 1 January 2022 to 30 June 2022 ***HK$'000*** **(Unaudited)**	For the period from 25 November 2021 (date of incorporation) to 31 December 2021 *HK$'000* (Audited)
Proceeds from the issuance of redeemable Class A Shares	**1,000,650**	–
Less: Transaction costs attributable to the issuance of redeemable Class A Shares*	**(61,524)**	–
Net amounts at initial recognition of redeemable Class A Shares	**939,126**	–
Amortisation of transaction costs on redeemable Class A Shares	**61,524**	–
Balances as at 30 June 2022	**1,000,650**	–

* *Total listing expenses (including underwriting commissions payable upon completion of the offering (the "**Offering**") and deferred underwriting commissions payable upon completion of a De-SPAC Transaction) were approximately HK$65,464,000, of which (i) HK$3,940,000 was attributable to the issuance of Listed Warrants and Promoter Warrants and was charged to the statement of profit or loss, and (ii) the remaining amount of HK$61,524,000 was attributable to the issuance of Class A Shares.*

(b) Warrant liabilities

Each Listed Warrant entitles its holder to subscribe for one Class A Share at an exercise price of HK$11.50. Redemption threshold price of HK$18.00 and fair value market cap of HK18.00 have been applied on the Listed Warrants. The Listed Warrants are only exercisable on a cashless basis, subject to customary anti-dilution adjustments.

Listed Warrants will become exercisable 30 days after the completion of the De-SPAC Transaction. Listed Warrants expire five years from the date of the De-SPAC Transaction, or earlier upon redemption or liquidation. The Company may redeem Listed Warrants upon at least 30 days' notice at a redemption price of HK$0.01 per Listed Warrant if the closing price of the Class A Shares equals or exceeds HK$18.00 per Share for any 20 out of the 30 consecutive trading days ending on the third trading day immediately prior to the date on which the notice of redemption is sent. Holders of Listed Warrant may exercise them after the redemption notice is given. A warrant holder has no right to participate in any distributions and/or offer of further securities made by the Company.

On initial recognition, the Listed Warrants are recognised as derivative liabilities and measured at fair value. The fair value of Listed Warrants was estimated to be approximately HK$73,072,000 using the Monte Carlo simulation model for which involved unobservable inputs. The day-one loss, which represented the difference between the transaction price and the fair value of the Listed Warrants at the issue date, was not recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income immediately but deferred.

The deferred day-one loss was released to the Condensed Statement of Profit or Loss and Other Comprehensive Income when the fair value of Listed Warrants can be determined using market observable inputs.

As at 30 June 2022, the fair value of Listed Warrants was approximately HK$4,953,000 which is determined based on its quoted market price, resulting in the recognition of fair value gain of HK$68,119,000.

The total fair value loss of HK$4,953,000 as shown in the Condensed Statement of Profit or Loss and Other Comprehensive Income consists of the recognition of the deferred day-one loss of HK$73,072,000 and the fair value gain of HK$68,119,000 during the period.

The movements of Listed Warrants, together with the transfers between level of its fair value hierarchy during the reporting period are as follows:

	Level 1 ***HK$'000*** **(Unaudited)**	**Level 3** ***HK$'000*** **(Unaudited)**	**Deferred day-one loss** ***HK$'000*** **(Unaudited)**
Fair value at the issue date	**–**	**73,072**	**(73,072)**
Transfer out of Level 3[#] and recognition of loss in profit or loss	**73,072**	**(73,072)**	**73,072**
Change in fair value	**(68,119)**	**–**	**–**
As at 30 June 2022	**4,953**	**–**	**–**

[#] *Transfer between Level 1 and Level 3*

Upon the Listing of the Class A Shares and Listed Warrants of the Company, quoted prices in active markets are available for the warrant liabilities. Therefore, warrant liabilities were transferred from a Level 3 to a Level 1 fair value measurement at the end of the reporting period.

Avista Valuation Advisory Limited, an independent valuation firm, is engaged to determine the fair value of the Listed Warrants at the issuance date.

The fair value was estimated as HK$1.4605 per Listed Warrant based on Monte Carlo simulation model. Under the valuation model, multiple scenarios were used to arrive a probability-weighted value per Listed Warrant. The key inputs into the valuation model were as follows at initial measurement:

Key inputs	**Ranged between**
Expected De-SPAC date	December 2022 – December 2023
Expected term	5 years
Exercise price	HK$11.50
Redemption trigger price	HK$18.00
Expected volatility	20.94% – 23.39%
Risk-free rate	1.88% – 1.95%
Dividend yield	0%
De-SPAC probability	0% – 95%

A Monte Carlo simulation model is often used when modeling systems with a large number of inputs and where there is significant uncertainty in the future value of inputs and where the movement of the inputs can be independent of each other. In view of the complicated features of the Listed Warrants, the directors of the Company consider that the application of Monte Carlo simulation model is reasonable.

15. SHARE CAPITAL

(a) Share capital

	Number of shares	**Nominal amount**
Authorised:		
Class A Shares *(note 14a)*		
On 25 November 2021 (date of incorporation), 31 December 2021 (US$0.0001 each)	**500,000,000**	**US$50,000**
As at 30 June 2022 (HK$0.0001 each)	**1,000,000,000**	**HK$100,000**
Class B Shares		
On 25 November 2021 (date of incorporation), 31 December 2021 (US$0.0001 each)	**50,000,000**	**US$5,000**
As at 30 June 2022 (HK$0.0001 each)	**100,000,000**	**HK$10,000**
Preference Shares		
On 25 November 2021 (date of incorporation), 31 December 2021 (US$0.0001 each)	**5,000,000**	**US$500**
As at 30 June 2022	**N/A**	**N/A**

		HK$'000
Class B Share Issued and fully paid:		
Issue of share upon incorporation *(note (i))*	**1**	**–***
Surrender of shares *(note (ii))*	**(1)**	**(–)***
Issue of new shares during the period *(note (iii))*	**60,000,000**	**6**
Surrender of shares *(note (iv) and (v))*	**(34,983,750)**	**–**
As at 30 June 2022	**25,016,250**	**6**

* *Less than HK$1,000*

As of the date of incorporation of the Company, the authorized share capital of the Company was US$55,500 divided into 500,000,000 Class A Shares of a par value of US$0.0001 each and 50,000,000 Class B Shares of a par value of US$0.0001 each and 5,000,000 preference shares of a par value of US$0.0001 each.

Pursuant to the resolutions passed on 13 January 2022, the authorised share capital of the Company was increased to include a Hong Kong dollar authorised share capital class of HK$110,000 comprised of 1,000,000,000 Class A Share of a par value of HK$0.0001 each and 100,000,000 Class B Shares of a par value of HK$0.0001 each, such additional shares to rank pari passu in all respects with existing shares. The authorised share capital of the Company was amended by cancelling the US dollar Class A, U.S dollar Class B and preference share classes.

Note:

(i) On 25 November 2021, one fully paid Class B Share was allotted and issued at par value of US$0.0001;

(ii) On 13 January 2022, one Class B Share at par value of US$0.0001 was surrendered by a shareholder;

(iii) On 13 January 2022, the Company allotted and issued 60,000,000 Class B Shares of a par value of HK$0.0001 each for an aggregate subscription price of HK$6,000;

(iv) On 17 February 2022, 18,750 Class B Shares at par value of HK$0.0001 was surrendered by a shareholder;

(v) On 11 March 2022, 34,965,000 Class B Shares at par value of HK$0.0001 was surrendered by a shareholder.

(b) Capital management

The Company's capital management objectives are to monitor its expenses on an ongoing basis and endeavor to keep the costs within the Company's primary sources of liquidity (i.e. the proceeds from the sale of Class B Shares) and to maintain sufficient financial resources to identify the suitable De-SPAC Target. The primary sources of liquidity to satisfy the capital requirements prior to the completion of the De-SPAC Transaction, and the funds from these sources will be held outside the Escrow Account comprised of proceeds from the sale of the Class B Shares and the Promoter Warrants; and the loan facility from the Promoters, which can draw down on to finance the expenses if the proceeds from the sale of the Class B Shares and the Promoter Warrants and the interest and other income from funds held in the Escrow Account are insufficient.

The Company will negotiate coverage of due diligence and transaction expenses relating to a successful De-SPAC Transaction with the confirmed De-SPAC Target. The Company expects that such expenses will be borne by the successor company from its own capital resources (including readily available cash) and the proceeds of the third-party investment required by the Listing Rules.

16. SHARE BASED PAYMENT

Upon the completion of the Listing, the Company has issued 25,016,250 of Class B Shares and 39,000,000 of Promoter Warrants at the aggregated subscription price of HK$6,000 and HK$39,000,000 respectively. The Conversion Right in the Class B Shares and Promoter Warrants are classified as share based payment as disclosed in note 4(a).

The difference between the fair value of the Conversion Right in the Class B Shares and the Promoter Warrants and the subscription price paid by the Joint Promoters are expensed on a straight-line basis over the vesting period. The Directors of the Company identified the completion of a De-SPAC Transaction as the vesting condition. Therefore, the Conversion Right in the Class B Shares and Promoter Warrants can only vest upon successful De-SPAC Transaction within 36 months after the Listing.

Valuation of share based payment

Equity-settled share-based payment expenses from the Conversion Right in the Class B Shares and Promoter Warrants of approximately HK$21,589,000 (for the period from 25 November 2021 (date of incorporation) to 31 December 2021: Nil) and HK$1,431,000 (for the period from 25 November 2021 (date of incorporation) to 31 December 2021: Nil) respectively were recognised during the period.

The Company determined the fair value of Conversion Right in the Class B Shares and Promoter Warrants on the Listing Date based on valuation performed by Avista Valuation Advisory Limited, an independent valuation firm.

(a) Conversion Right of Class B Shares

Movements of the number of Conversion Right in the Class B Shares outstanding during the period are as follows:

	For the period from 1 January 2022 to 30 June 2022 Number of Conversion Right in Class B Shares (Unaudited)
Granted and outstanding as at 30 June 2022	**25,016,250**

The fair value of the Conversion Right in each of the Class B Shares was estimated to be HK$9.0, which was determined based on the unit issue price of the Class A Share at HK$10.0 each and applied a discount for lack of marketability of 10% derived by the Black Scholes Put Option Model. Taking into consideration that Class B Shares are convertible into Class A Shares on a one-for-one basis at or following the completion of the De-SPAC Transaction and Class B Shares are not publicly traded on the Stock Exchange, the Directors of the Company consider that the applying of a discount for lack of marketability in the valuation is reasonable.

(b) Promoter Warrants

Movements of the number of Promoter Warrants outstanding during the period are as follows:

	For the period from 1 January 2022 to 30 June 2022 Number of Promoter Warrants (Unaudited)
Granted and outstanding as at 30 June 2022	**39,000,000**

The fair value was estimated as HK$1.383 per Promoter Warrant based on Monte Carlo simulation model. Under the valuation model, multiple scenarios were used to arrive a probability-weighted value per Promoter Warrant. The key inputs into the valuation model were as follows:

Key inputs	**Ranged between**
Expected De-SPAC date	December 2022 – December 2023
Expected term	5 years
Exercise price	HK$11.50
Redemption trigger price	HK$18.00
Expected volatility	20.94% – 23.39%
Risk-free rate	1.88% – 1.95%
Dividend yield	0%

A Monte Carlo simulation model is often used when modeling systems with a large number of inputs and where there is significant uncertainty in the future value of inputs and where the movement of the inputs can be independent of each other. In view of the complicated features of the Promoter Warrants, the Directors of the Company consider that the application of Monte Carlo simulation model is reasonable.

17. FINANCIAL INSTRUMENTS

(a) Financial instruments not measured at fair value

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed interim financial statements not measured at fair value on a recurring basis (but fair value disclosures are required) approximate their fair values.

The fair values of other receivables, cash and cash equivalents, accruals and other payable and amounts due to a promoter approximate to their carrying amounts largely due to the short term maturities of these instruments.

The carrying amounts of the restricted cash approximate their fair values as the interest rates will adjust periodically and is close to market interest rate.

(b) Financial instruments measured at fair value

The following table provides an analysis of financial instruments measured at fair value by level of fair value hierarchy:

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs (i.e. not derived from market data).

	As at 30 June 2022 (Unaudited)		
	Level 1	**Level 2**	**Level 3**
	HK$'000	***HK$'000***	***HK$'000***
Financial liabilities at FVTPL – Warrant liabilities	**4,953**	**–**	**–**

Details of warrant liabilities are disclosed in note 14(b).

18. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Company had the following transactions with related parties during the periods:

	Note	**For the period from 1 January 2022 to 30 June 2022**	For the period from 25 November 2021 (date of incorporation) to 31 December 2021
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Share-based payment for Class B Shares	*16*	**21,589**	–
Share-based payment for Promoter Warrants	*16*	**1,431**	–
		23,020	–
Key management compensation			
Remuneration payable to independent non-executive directors		**207**	–

19. SUBSEQUENT EVENTS

Save as disclosed in this interim report, the Company does not have any material subsequent event after the end of the period.