VTAC

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**VERTEX TECHNOLOGY ACQUISITION CORPORATION LTD**

**CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023**

## INTRODUCTION

The Company was incorporated in the Cayman Islands on 21 July 2021 under the Companies Act as an exempted company with limited liability, under the name "Vertex Technology Acquisition Corporation Ltd.".

We are a special purpose acquisition company incorporated in the Cayman Islands for the purpose of effecting an initial business combination. We have not selected any potential business combination target.

We intend to identify, acquire and manage a business with a core technology focus, highly differentiated products and scalable business models, with the aim to improve people's lives by transforming businesses, markets and economies. With the breadth of our Sponsor's global venture capital platform and depth of its local expert teams, we believe we have a unique ability to help support our target company scale and grow faster, as it transitions into the next phase of its life cycle.

**Vertex Technology Acquisition Corporation Ltd**
(Company Incorporation number: MC-378671)
(Incorporated in Cayman Islands)

Condensed Interim Financial Statements
For the six months ended
30 June 2023

## Index to condensed interim financial statements for the six months ended 30 June 2023

**Condensed interim statement of financial position**
**As at 30 June 2023**

| | Note | 30/06/2023 $ | 31/12/2022 $ |
|---|---|---|---|
| **Current assets** | | | |
| Short term investment | 5 | 215,787,375 | 211,479,427 |
| Prepayments | | 1,494 | 8,688 |
| Cash and cash equivalents | 6 | 2,450,397 | 3,657,404 |
| **Total assets** | | 218,239,266 | 215,145,519 |
| | | | |
| **Equity** | | | |
| Share capital and share premium | 7 | 29,569,800 | 29,569,800 |
| Accumulated profits | | 9,611,852 | 5,955,436 |
| **Total equity** | | 39,181,652 | 35,525,236 |
| | | | |
| **Current liabilities** | | | |
| Derivative financial liabilities | 8 | 1,993,726 | 2,848,180 |
| Redeemable shares | 9 | 175,881,364 | 175,881,364 |
| Other payables and accruals | | 521,281 | 537,707 |
| Current tax payable | | 661,243 | 353,032 |
| **Total liabilities** | | 179,057,614 | 179,620,283 |
| | | | |
| **Total equity and liabilities** | | 218,239,266 | 215,145,519 |
| | | | |
| **Net asset value per ordinary share** | | 6.53 | 5.92 |

* 1 ordinary share issued at $0.0001 par value.

**Condensed interim statement of comprehensive income**
**As at 30 June 2023**

| | Note | Six months ended 30/06/2023 | Six months ended 30/06/2022 | Change +/- |
|---|---|---|---|---|
| | | $ | $ | % |
| Revenue | | – | – | – |
| Grant income | | – | 1,000,000 | -100 |
| Interest income | | 4,103,506 | 633,532 | +548 |
| Unrealised fair value gain on derivative financial liabilities | | 854,454 | 4,646,790 | -82 |
| Modification gain on redeemable shares | | 1,938,824 | – | +100 |
| Interest expense | | (1,938,824) | (2,100,171) | -8 |
| Listing fees | | (40,400) | (22,424) | +80 |
| Legal and professional fees | | (674,682) | (387,115) | +74 |
| Administrative and other expenses | | (278,251) | (330,211) | -16 |
| **Profit before tax** | | 3,964,627 | 3,440,401 | +15 |
| Tax expense | | (308,211) | – | +100 |
| **Profit for the period, representing total comprehensive income for the period** | | 3,656,416 | 3,440,401 | +6 |
| **Earnings per ordinary share** | | | | |
| - Basic and Diluted | 11 | 0.61 | 0.57 | +7 |

**Condensed interim statement of changes in equity**
**Six months ended 30 June 2023**

| | Share capital $ | Share premium $ | Accumulated profits/(losses) $ | Total equity $ |
|---|---|---|---|---|
| At 1 January 2023 | 600 | 29,569,200 | 5,955,436 | 35,525,236 |
| **Total comprehensive income for the period** | | | | |
| Profit for the period, representing total comprehensive income for the period | – | – | 3,656,416 | 3,656,416 |
| At 30 June 2023 | 600 | 29,569,200 | 9,611,852 | 39,181,652 |
| | | | | |
| At 1 January 2022 | * | – | (1,328,930) | (1,328,930) |
| **Total comprehensive income for the period** | | | | |
| Profit for the period, representing total comprehensive income for the period | – | – | 3,440,401 | 3,440,401 |
| **Transactions with owners, recognised directly in equity** | | | | |
| Forfeiture of 1 ordinary share of S$0.0001 par value | (*) | – | – | (*) |
| Issue of 6,000,000 ordinary shares (Sponsor IPO Shares) of S$0.0001 par value | 600 | 29,569,200 | – | 29,569,800 |
| At 30 June 2022 | 600 | 29,569,200 | 2,111,471 | 31,681,271 |

* 1 ordinary share issued and forefeited at $0.0001 par value.

**Condensed interim statement of cash flows**
**Six months ended 30 June 2023**

| | Six months ended 30/06/2023 $ | Six months ended 30/06/2022 $ |
|---|---|---|
| Profit for the period | 3,656,416 | 3,440,401 |
| Adjustments for: | | |
| Grant income | – | (1,000,000) |
| Interest income | (4,103,506) | (633,532) |
| Unrealised fair value gain on derivative financial liabilities | (854,454) | (4,646,790) |
| Modification gain on redeemable shares | (1,938,824) | – |
| Interest expense | 1,938,824 | 2,100,171 |
| Tax expense | 308,211 | – |
| Operating loss before working capital changes | (993,333) | (717,921) |
| | | |
| Changes in working capital: | | |
| Prepayments | 7,194 | (8,688) |
| Other payables and accruals | (16,426) | (791,223) |
| **Net used in operating activities** | (1,002,565) | (1,517,832) |
| | | |
| **Cash flows from investing activities** | | |
| Purchase of short term investment | (4,049,696) | (207,474,560) |
| Cash deposited in Escrow account | (247,378) | (651,556) |
| Interest received | 4,291,212 | 78,092 |
| **Net cash used in investing activities** | (5,862) | (208,048,024) |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of Redeemable shares | – | 178,030,000 |
| Proceeds from issuance of Sponsor IPO shares | – | 30,000,000 |
| Payment of offering expenses related to issuance of Redeemable shares | – | (3,207,254) |
| Proceeds from issuance of private placement warrants | – | 8,000,000 |
| **Net cash from financing activities** | – | 212,822,746 |
| | | |
| **Net (decrease)/increase in cash and cash equivalents** | (1,008,427) | 2,916,364 |
| Cash and cash equivalents at the beginning of the period | 3,211,446 | – |
| **Cash and cash equivalents at end of the period** | 2,203,019 | 2,916,364 |

# Notes to the condensed interim financial statements

These notes form an integral part of the condensed Interim Financial Statements.

## 1 General information

Vertex Technology Acquisition Corporation Ltd. (the "Company") is incorporated in the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

As of December 31, 2021, the Company had not commenced any operations. All activities for the period from 22 July 2021 (date of incorporation) to 31 December 2021 relates to the Company's formation and the Initial Public Offering ("IPO") described below.

The Company was incorporated as a Special Purpose Acquisition Company and listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 January 2022 for the purpose of entering into a business combination within 24 months from the date of listing. The Company is also allowed to seek for extension of deadline of up to no more than 12 months with an overall maximum timeframe of 36 months from its listing date, 20 January 2022, subject to the fulfilment of certain conditions, including obtaining approvals from SGX-ST and the Company's shareholders. The Company will cease all operations except for the purpose of winding up, redeem the shares, proceed to commence a voluntary liquidation followed by a formal dissolution of the Company if the Company is unable to consummate an initial business combination within the permitted timeframe.

The Sponsor, Vertex Venture Holdings Ltd ("Vertex") is a Singapore-based global venture capital platform which provides anchor funding and operational support to its proprietary global network of venture funds through a master fund structure.

The Company intends to identify, acquire and manage a business with a core technology focus, highly differentiated products and scalable models, with the aim to improve people's lives by transforming businesses, markets and economies. The Company will not generate any operating revenue until after the completion of its Initial Business Combination, at the earliest.

## 2 Going concern

The condensed interim financial statements have been prepared assuming the Company will continue as a going concern. The going concern assumption contemplates the completion of its initial business combination.

The Company has to obtain approval from public shareholders to effect, and complete a business combination by 20 January 2024 ("Deadline"). Otherwise, the Company has the option to obtain approvals from public shareholders and SGX-ST to extend the Deadline by 12 months. In the event that approvals from public shareholders are not obtained to (i) effect and complete a business combination by the Deadline or (ii) extend the Deadline by 12 months, the redeemable shares have to be redeemed and the Company liquidated.

As of the date of this announcement, while the Company has been engaged in active discussions, it has not yet entered into any written binding acquisition agreement in relation to a potential business combination. There is material uncertainty surrounding the Company's ability to obtain approval from public shareholders to (i) effect, and complete a business combination or (ii) extend the Deadline by 12 months. Accordingly, this may cast significant doubt on the Company’s ability to continue as a going concern beyond 12 months from the date of this announcement.

As of 30 June 2023, the Company is in a net current asset position of $39,181,652. The directors of the Company assessed that the Company has sufficient funds in its Escrow Account should the shareholders of the Company exercise their redemption rights and vote to liquidate the Company if an initial business combination is not completed.

# 3 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

The accounting policies and methods of computation adopted are consistent with the last audited financial statements, except for the adoption of new and amended standards as set out in Note 3.4.

## 3.1 Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

## 3.2 Functional and presentation currency

These condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency.

## 3.3 Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in Note 13 – Financial Instruments.

***Measurement of fair values***

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 13 – Financial Instruments.

## 3.4 Changes in accounting policies

The Company has applied the following IFRSs, amendments to and intepretations of IFRS for the first time for the annual period beginning on 1 January 2023.

- IFRS 17 and Amendments to IFRS 17: *Insurance Contracts*
- Amendments to IAS 12: *Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*
- Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to IAS 8: *Definition of Accounting Estimate*
- Amendment to IFRS 17: *Initial Application of IFRS 17 and IFRS 9 – Comparative Information*

The application of the amendments to standards and interpretations did not have a material effect on the condensed interim financial statements.

# 4 Significant accounting policies

The accounting policies set out below have been applied consistently throughout the period presented in these condensed interim financial statements.

## 4.1 Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

## 4.2 Financial instruments

### (i) Recognition and initial measurement

**Non-derivative financial instruments**

The Company initially recognises trade receivables and debt investments issued on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are initially recognised on trade date which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue.

### (ii) Classification and subsequent measurement

**Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value though other comprehensive income (“FVOCI”) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company’s non-derivative financial instruments comprise financial assets at amortised cost.

***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

**Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Non-derivative financial assets: Subsequent measurement and gains and losses**

***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

The Company assess whether a financial instrument is equity or liability classified taking into consideration:

- If there is contractual obligation:
  - to delivery of cash or other financial assets; or
  - to exchange of financial assets or financial liabilities with another party under potentially unfavourable conditions; or

- a contract that will or may be settled in the entity's own equity instrument, whether it involves:
  - a non-derivative that comprises an obligation for the entity to deliver a fixed or variable number of its own equity instruments; or
  - a derivative that will or may be settled by the entity exchanging a fixed or variable amount of cash or other financial assets for a fixed or variable of its own equity instruments. E.g, whether it meets the "fixed-for-fixed" test.

For a puttable instrument or an instrument (or a component of that instrument) that imposes an entity an obligation only on liquidation to be equity classified, we will assess if it meets all of the following considerations:

- the holder of instrument is entitled to a pro rata share of the entity's net assets in the event of entity's liquidation;
- the instrument belongs to class of instrument that is subordinate to all other classes of instruments issued by the entity;
- all financial instruments in the most subordinated class have identical terms;
- apart from obligation of issuer to repurchase or redeem instrument, the instrument does not include any other contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities under potentially unfavourable conditions;

- total expected cash flows attributable to the instrument over its life are based substantially on profit or loss, change in recognised net assets or change in fair value of (un)recognised net assets of the entity; and
- the issuer has no other financial instrument or contract that has:
    - total cash flows based substantially on profit or loss, change in recognised net assets or change in fair value of (un)recognised net assets of the entity; and
    - the effect of substantially restricting or fixing residual returns to puttable instrument holders.

If the puttable instrument does not meet any of the criteria above, the puttable instrument will be liability classified.

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

**Derivative financial instruments: Classification, subsequent measurement and gains and losses**

Private Placement Warrants and the Public Warrants issued in connection with the Offering Units, Cornerstone Units and Sponsor IPO Investment Units are classified as derivative financial instruments. Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

**(iii) Derecognition**

**Financial assets**

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
    - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
    - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisitions 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.

### 4.3 Impairment of financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

Loss allowances of the Company are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company applies the general approach to provide for ECLs on all financial instruments. Under the general approach, loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assessed whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers the outstanding balance to be in default and credit impaired when:
- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance for an active market for a security because of financial difficulties.

***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

***Presentation of allowance for ECLs in the statement of financial position***

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

## 4.4 Share capital

Ordinary shares which constitute the Sponsor IPO Investment Units (Sponsor IPO Shares) are classified as equity on the statement of financial position.

The ordinary shares are classified as equity as there is no contractual obligation on the Company to redeem these shares for cash. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

## 4.5 Redeemable shares

Ordinary shares (Redeemable shares) which constitute the Offering Units and Cornerstone Units are classified as a liability on the statement of financial position. These shares are classified as financial liabilities as there is a contractual obligation by the Company to deliver cash to the holders of these Offering Units and Cornerstone Units who elect to have such shares redeemed by the Company upon the completion of the Company's initial business combination. These shares are recognised initially at its fair value and subsequently measured, at each reporting period, at amortised cost using the effective interest method. Interest expense is recognised in the statement of comprehensive income.

The Company recognises changes in redemption value immediately as the redemptions occur and adjusts the carrying value of the Redeemable shares to equal the redemption value at the end of each reporting period.

## 4.6 Government grants

Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

## 4.7 Offering expenses

Offering expenses primarily consisted of underwriting commission incurred directly in relation to the IPO. These offering expenses were allocated to the separable financial instruments issued in the IPO based on a relative fair value basis, as compared to total proceeds received. Offering expenses associated with the issuance of Private Placement Warrants and the Public Warrants issued were expensed in profit or loss. Offering expenses associated with the issuance of Redeemable shares were capitalised in the statement of financial position.

## 4.8 Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## 4.9 Interest income and interest expense

Interest income or expense is recognised in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## 4.10 Share-based payment

The Company assess whether a transaction is an equity or cash settled share-based payment and assess if a transaction is an employee or non-employee settled share-based payment.

In determining the recognition and measurement of the share-based payment award, the Company assess the terms of the award to determine if the award is service or non-service related and vesting or non-vesting conditions. For vesting conditions, we further determine:

- vesting period;
- grant date;
- service or performance vesting condition
- for performance vesting conditions, determine if it is market or non-market performance vesting condition.

The grant date fair value of the equity settled share-based payment awards granted is recognised as a share-based payment expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which service and non-market performance conditions are expected to be met, such that the amounts ultimately recognised as an expense is based on the number of awards that meet the service and non-market performance conditions at vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true up for differences between expected and actual outcomes.

## 4.11 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier applications is permitted; however, the Company has not early adopted the new or amended standards in preparing these condensed interim financial statements.

The following amendments to IFRSs are not expected to have a significant impact on the Company's condensed interim financial statements.

- Amendment to IAS 1: *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date*
- Amendments to IAS 1 and IFRS Practice Statement 2: *Non-current Liabilities with Covenants*
- Amendments to IFRS 16: *Lease liability in a sale and leaseback*

## 5 Short term investment

| | 30/6/2023<br>$ | 31/12/2022<br>$ |
|---|---|---|
| Investment in MAS Bills | 215,787,375 | 211,479,427 |

The Company invested $214,224,252 (Nominal value: $216,100,000) in bills issued by the Monetary Authority of Singapore ("MAS Bills"), which are permitted investments in the form of cash or cash equivalent short-dated securities of at least A-2 rating (or equivalent). Investment in MAS Bills are carried at amortised cost, bear a fixed interest rate of 3.77% per annum and were due on 14 July 2023.

## 6 Cash and cash equivalents

| | 30/6/2023<br>$ | 31/12/2022<br>$ |
|---|---|---|
| Cash and bank balances | 2,203,019 | 3,211,446 |
| Cash balances held in Escrow Account | 247,378 | 445,958 |
| | 2,450,397 | 3,657,404 |
| Less: Cash balances held in Escrow Account | (247,378) | (445,958) |
| Cash and cash equivalents in the condensed interim statement of cash flows | 2,203,019 | 3,211,446 |

The rules of the SGX Listing Manual provide that the Company must place at least 90% of the gross funds raised from its IPO in an escrow account opened with and operated by an independent escrow agent which is part of a financial institution licenced and approved by MAS. The rules also provide that the amount placed in the escrow account cannot be drawn down save for the purpose of an initial business combination, on liquidation of the issuer or such other circumstances as set out in Practice Note 6.4 to the SGX Listing Manual.

100% of the $208,030,000 in gross proceeds the Company received from the IPO and the interest from the Company's previous investment in MAS Bills was deposited into an Escrow Account with Citibank, N.A., Singapore Branch acting as Escrow Agent. As at 30 June 2023, the Company invested $214,224,252 in MAS Bills (refer to Note 5).

The proceeds raised from the issuance of Private Placement Warrants during the IPO was placed in a separate bank account and used to pay for expenses incurred by the Company in the IPO. The remaining balance, together with interest or other income earned on the escrowed funds from permitted investments, will be applied for general working capital expenses and for the purpose of identifying and completing an initial business combination.

## 7 Share capital and share premium

| | No. of shares | Amount $ |
|---|---|---|
| ***Fully paid shares*** | | |
| **At 1 January 2022** | 1 | * |
| **At 20 January 2022** | | |
| Surrender of 1 ordinary share at S$0.0001 par value | (1) | (*) |
| Issue of shares (Sponsor IPO Shares) at S$0.0001 par value | 6,000,000 | 29,569,800 |
| **At 31 December 2022/ 30 June 2023** | 6,000,000 | 29,569,800 |

* 1 ordinary share issued at S$0.0001 par value.

The holder of the shares is entitled to receive dividends as declared from time to time. At meetings of the Company, every member who is present in person or by proxy, or by attorney or other duly authorised representative shall on a show of hands, have one vote; and on a poll, have one vote per share which he holds or represents. All ordinary shares rank equally with regard to the Company's residual assets.

On 20 January 2022, Vertex SPV surrendered and forfeited its one ordinary share of S$0.0001 par value for no consideration. Subsequently upon listing on SGX on 20 January 2022, 41,606,000 units of S$5.00 per unit were allotted and issued as fully paid to shareholders of which each unit comprised one ordinary share and 0.3 of one warrant per share.

There were no treasury shares and subsidiary holdings as at 31 December 2022 and 30 June 2023.

***Capital management***

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company's capital comprises its share capital and accumulated profits. Further details associated with the going concern assessment of the Company can be referred to in Note 2.

The Company is not subject to externally imposed capital requirements. The Company's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Company.

***Accumulated profits***

The Company has not paid and does not intend to pay any cash dividends on its ordinary shares prior to the completion of the Initial Business Combination.

## 8 Derivative financial liabilities

| | 30/6/2023<br>$ | 31/12/2022<br>$ |
|---|---|---|
| Public Warrants | 873,726 | 1,248,180 |
| Private Placement Warrants | 1,120,000 | 1,600,000 |
| | 1,993,726 | 2,848,180 |

| | No. of warrants | No. of ordinary shares that may be issued |
|---|---|---|
| **31 December 2022/ 30 June 2023** | | |
| Public Warrants | 12,481,799 | 12,481,799 |
| Private Placement Warrants | 16,000,000 | 16,000,000 |
| | 28,481,799 | 28,481,799 |

Each Public Warrant and Private Placement Warrant issued in connection with the Offering Units, Cornerstone Units and Sponsor IPO Investment Units, entitles the holder to purchase one ordinary share at a price of S$5.75 per ordinary share. “S$5.75 per ordinary share” subject to certain terms and conditions. Each Public Warrant and Private Placement Warrant will become exercisable on the later of 30 days after the completion of an initial business combination or 12 months from the close of the IPO and will expire on the fifth anniversary of the completion of an initial business combination, or earlier upon redemption of the Public Warrants and Private Placement Warrants or liquidation of the Company.

## 9 Redeemable shares

The movements in the carrying amount of the Redeemable shares during the period are as follows:

| | 30/6/2023<br>$ |
|---|---|
| Proceeds from Offering Units and Cornerstone Units issued on 20 January 2022 | 178,030,000 |
| Less: Offering expenses allocated to the issuance of Redeemable shares | (3,207,254) |
| Fair value adjustment of Public Warrants upon issuance | (2,552,950) |
| Carrying amount of 35,606,000 Redeemable shares with par value of $0.0001 per share recognised on initial recognition | 172,269,796 |
| Interest expense relating to accretion of Redeemable shares during the period | 3,611,568 |
| Carrying amount of Redeemable shares at 31 December 2022 | 175,881,364 |
| Modification gain on Redeemable shares | (1,938,824) |
| Interest expense relating to accretion of Redeemable shares during the period | 1,938,824 |
| Carrying amount of Redeemable shares at 30 June 2023 | 175,881,364 |

**Reconciliation of movement of liabilities to cash flows arising from financing activities**

| | Redeemable shares $ | Private Placement Warrants $ | Total $ |
|---|---|---|---|
| **Balance at 1 January 2022** | – | – | – |
| **Changes from financing cash flows** | | | |
| Proceeds from issuance of Redeemable shares | 178,030,000 | – | 178,030,000 |
| Proceeds from issuance of Private Placement Warrants | – | 8,000,000 | 8,000,000 |
| Payment of offering expenses related to issuance of Redeemable shares | (3,207,254) | – | (3,207,254) |
| **Total changes from financing cash flows** | 174,822,746 | 8,000,000 | 182,822,746 |
| **Other changes** | | | |
| Fair value adjustment of Public Warrants upon issuance | (2,552,950) | – | (2,552,950) |
| Change in fair value | – | (6,400,000) | (6,400,000) |
| Interest expense | 3,611,568 | – | 3,611,568 |
| **Total liability-related other changes** | 1,058,618 | (6,400,000) | (5,341,382) |
| **Balance at 31 December 2022** | 175,881,364 | 1,600,000 | 177,481,364 |
| **Balance at 1 January 2023** | 175,881,364 | 1,600,000 | 177,481,364 |
| **Other changes** | | | |
| Modification gain on Redeemable shares | (1,938,824) | – | (1,938,824) |
| Change in fair value | – | (480,000) | (480,000) |
| Interest expense | 1,938,824 | – | 1,938,824 |
| **Total liability-related other changes** | – | (480,000) | (480,000) |
| **Balance at 30 June 2023** | 175,881,364 | 1,120,000 | 177,001,364 |

On 30 June 2023, the Company has revised its expected redemption date of the Redeemable shares based on the revised estimated initial business combination date from July 2023 to January 2024. As a result, the Company recognised a modification gain of $1,938,824 in profit or loss.

## 10 Share-based payment

*Undertaking on Promote Shares*

As a reward and an incentive for the execution of a successful initial business combination, the Company has entered into a deed of undertaking with the Sponsor, pursuant to which the Company undertakes to allot and issue 10.40 million Shares for a nominal consideration of $25,000 (the “Promote Shares”) following the completion of the initial business combination in favour of the Sponsor, such Promote Shares (a) to be vested over a certain period subject to certain terms and conditions; and (b) to constitute no less than 20% of the issued and paid-up share capital of our Company on a fully diluted basis immediately following the completion of the IPO. The consideration for the Promote Shares will be pro-rated based on the amount of Promote Shares vested, allotted and issued as at the relevant vesting dates.

The Promote Shares will vest, and be allotted and issued in favour of Sponsor based on the following schedule:

(i) 49.0% of the Promote Shares on the date falling 12 months after the completion of the initial business combination;

(ii) 17.0% of the Promote Shares on the date during the 10 calendar years following the date of completion of the initial business combination upon the Return to Shareholders exceeding 20%;

(iii) 17.0% of the Promote Shares on the date during the 10 calendar years following the date of completion of the initial business combination upon the Return to Shareholders exceeding 40%; and

(iv 17.0% of the Promote Shares on the date during the 10 calendar years following the date of completion of the initial business combination upon the Return to Shareholders exceeding 60%.

The undertaking on the issuance of the Promote Shares falls within the scope of equity-settled share-based payment under IFRS 2 *Share-based Payment*. The fair value of the Promote Shares is determined at grant date by an independent valuer. The share-based payment is subject to a non-market performance condition associated with the completion of the initial business combination.

## 11 Earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of shares outstanding during the period.

Redeemable shares, potential shares for the outstanding Public and Private Placement warrants and potential Promote Shares were excluded from calculating diluted earnings per share for the period as these are contingent upon the occurrence of future events.

As a result, the diluted EPS is the same as the basic EPS. The basic and diluted EPS of $0.61 is derived by dividing $3,656,416 by 6,000,000 Sponsor IPO Shares classified as equity.

# 12 Significant related party transactions

*Key management personnel compensation*

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board of Directors are considered as key management personnel of the Company. There were no changes to the key management personnel and their compensation scheme during the period.

*Administrative Services Agreement*

On 6 January 2022, the Company entered into an agreement with Vertex Venture Management Pte Ltd, a wholly-owned subsidiary of the Sponsor, under which Vertex Venture Management Pte Ltd will charge the Company a fixed quarterly retainer fee (payable quarterly in advance in four equal instalments per annum and pro-rated accordingly for any partial calendar quarter) in providing the Company with financial and other support services, including but not limited to the cost of the remuneration of our Executive Director and Chief Executive Officer ("CEO"), Mr. Jiang Honghui, and our Chief Financial Officer ("CFO"), Mr. Sito Tuck Wai, in their roles as CEO and CFO of the Company respectively. For the six months ended 30 June 2023, the Company incurred expenses of $162,000 under this agreement and disclosed as administrative and other expenses in the statement of comprehensive income.

*Undertaking on Promote Shares*

In relation to any Promote Shares which vest and are issued within 12 months from the completion of the initial business combination, the Sponsor has given an undertaking to the Company, that it will not, and shall procure Vertex SPV not to, without the prior written consent of the Company, amongst others, directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of its holdings in any Lock-up Promote Shares or enter into a transaction that would have the same effect, whether any such transaction described above is to be settled by delivery.

# 13 Financial instruments

***Overview***

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

*Risk management framework*

The management has overall responsibility for the compliance and oversight of the Company's risk management framework. The management oversees the monitoring compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Risks and uncertainties are expected to persist in the near term with the continued impact of the geopolitical tensions, uneven global economic recovery, rising inflation and interest rate environment. In response, the management has increased the monitoring of the economic environment, operational risk and impact on the Company being able to identify target businesses with the stipulated timeframe.

***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents and restricted cash.

*Exposure to credit risk*

The maximum exposure to credit risk is represented by the carrying amount of each of the financial asset in the statement of financial position.

Management has a credit policy in place and the exposure to the credit risk is monitored on an ongoing basis. Short term investment and cash and cash equivalents are placed with banks and financial institutions which are regulated.

As at 30 June 2023, the Company's primary exposure to credit risk was mainly concentrated on short term investment and cash and cash equivalents.

The Company held short term investment of $215,787,375 and cash and cash equivalents of $2,450,397 as at reporting date. Short term investment and cash and cash equivalents are placed with financial institutes which are regulated. At the reporting date, the Company's short term investment and cash and cash equivalents are placed with credit ratings of A-2 equivalent or better as assigned by international credit-rating agencies. These banks have low default risks and hence the cash and cash equivalents are subjected to insignificant losses.

***Liquidity risk***

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity through issuance of Private Placement Warrants during the IPO which was held in a separate bank outside of Escrow Account as the "At-Risk-Capital" contributed by the Sponsor. Together with the interest or other income earned on the escrowed funds from permitted investments, the Company has sufficient funds to meet ongoing working capital needs until the consummation of the initial business combination.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management of finance the Company's operations and to mitigate the effects of the fluctuations in cash flow.

*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual payments and exclude the impact of nettings agreements.

| | Carrying amount $ | Contractual cash flows $ | Within 1 year $ | Within 2 to 5 years $ |
|---|---|---|---|---|
| **30 June 2023** | | | | |
| **Non-derivative financial liabilities** | | | | |
| Redeemable shares | 175,881,364 | (178,030,000) | (178,030,000) | – |
| Other payables and accruals | 521,281 | (521,281) | (521,281) | – |
| | 176,402,645 | (178,551,281) | (178,551,281) | – |

***Market risk***

Market risk is the risk that the changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return on risk.

*Foreign currency risk*

As at balance sheet date, the Company is not exposed to foreign currency risks.

*Interest rate risk*

At the reporting date, the interest rate profile of the interest-bearing financial instrument, as reported to the management, was as follows:

| | Nominal amount | |
|---|---|---|
| | 30/6/2023 $ | 31/12/2022 $ |
| **Fixed rate instrument** | | |
| Short term investment | 216,100,000 | 211,800,000 |

*Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

## Accounting classification and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Mandatorily at FVTPL $ | Financial assets at amortised cost $ | Other financial liabilities $ | Total $ | Level 1 $ | Level 2 $ | Level 3 $ | Total $ |
| **30 June 2023** | | | | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | | | |
| Short term investment | 5 | – | 215,787,375 | – | 215,787,375 | | | | |
| Cash and cash equivalents | 6 | – | 2,450,397 | – | 2,450,397 | | | | |
| | | – | 218,237,772 | – | 218,237,772 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| Redeemable shares | 9 | – | – | 175,881,364 | 175,881,364 | – | 165,567,900 | – | 165,567,900 |
| Other payables and accruals | | – | – | 521,281 | 521,281 | | | | |
| | | – | – | 176,402,645 | 176,402,645 | | | | |
| **Financial liability measured at fair value** | | | | | | | | | |
| Derivative financial liabilities | | | | | | | | | |
| - Public Warrants | 8 | 873,726 | – | – | 873,726 | – | 873,726 | – | 873,726 |
| - Private Placement Warrants | 8 | 1,120,000 | – | – | 1,120,000 | – | – | 1,120,000 | 1,120,000 |
| | | 1,993,726 | – | – | 1,993,726 | | | | |

| | | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Note** | **Mandatorily at FVTPL** **$** | **Financial assets at amortised cost** **$** | **Other financial liabilities** **$** | **Total** **$** | **Level 1** **$** | **Level 2** **$** | **Level 3** **$** | **Total** **$** |
| **31 December 2022** | | | | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | | | |
| Short term investment | 5 | – | 211,479,427 | – | 211,479,427 | | | | |
| Cash and cash equivalents | 6 | – | 3,657,404 | – | 3,657,404 | | | | |
| | | – | 215,136,831 | – | 215,136,831 | | | | |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| Redeemable shares | 9 | – | – | 175,881,364 | 175,881,364 | – | 161,295,180 | – | 161,295,180 |
| Other payables and accruals | | – | – | 537,707 | 537,707 | | | | |
| | | – | – | 176,419,071 | 176,419,071 | | | | |
| **Financial liability measured at fair value** | | | | | | | | | |
| Derivative financial liabilities | | | | | | | | | |
| - Public Warrants | 8 | 1,248,180 | – | – | 1,248,180 | – | 1,248,180 | – | 1,248,180 |
| - Private Placement Warrants | 8 | 1,600,000 | – | – | 1,600,000 | – | – | 1,600,000 | 1,600,000 |
| | | 2,848,180 | – | – | 2,848,180 | | | | |

**Valuation techniques and significant unobservable inputs**

The following tables show the valuation technique used in measuring Level 2 and 3 fair values, as well as the significant unobservable inputs used.

| **Type** | **Valuation technique** | **Significant unobservable inputs** | **Inter-relationship between key unobservable inputs and fair value measurement** |
|---|---|---|---|
| ***Financial instrumemts not measured at fair value*** | | | |
| Redeemable shares | Market approach | Not applicable | Not applicable |
| ***Financial instrumemts measured at fair value*** | | | |
| Derivative financial liabilities – Private Placement Warrants | Black-Scholes Model | Implied volatility of the underlying share price<br><br>Probability of initial business combination | The estimated fair value would increase/(decrease) if:<br>• The implied volatility is higher/(lower)<br>• The probability of initial business combination is higher/(lower) |
| Derivative financial liabilities – Public Warrants | Market approach | Not applicable | Not applicable |

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

| | **Private Placement Warrants** **$** |
|---|---|
| At 1 January 2023 | 1,600,000 |
| Change in fair value during the period | (480,000) |
| At 30 June 2023 | 1,120,000 |

## 14 Contingencies and Commitments

The Company is required to pay deferred underwriting commissions of up to 3.5% of the total gross proceeds from the issue of the Offering Units and the Cornerstone Units (excluding commitments from Venezio Investments Pte. Ltd.) upon the completion of an initial business combination.

## 15 Subsequent events

There are no known subsequent events which require adjustments or disclosure to this set of condensed interim financial statements.

# Other Information Required by Listing Rule Appendix 7.2

## OTHER INFORMATION

### 1. Review

The condensed interim statement of financial position of Vertex Technology Acquisition Corporation Ltd (the "Company") as at 30 June 2023 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

### 2. Review of performance of the Company

a) Explanatory Notes to Condensed interim statement of comprehensive income (Please refer to Page 2)

(i) Interest income

The Company derived interest income from its funds placed in the Escrow Account and from its short term investment in MAS Bills.

(ii) Unrealised fair value gain on derivative financial liabilities

The Company recognised unrealised fair value gain of $0.85 million during the six-month period ended 30 June 2023 as a result of a decline in fair value of its derivative financial liabilities (i.e., public warrants and private placement warrants). Should the fair value of these derivative financial liabilities increase in the next reporting period, this unrealised fair value gain will be reversed and the Company will recognise unrealised fair value loss if the fair value exceeds the value of the derivative financial liabilities as at last reporting period.

(iii) Modification gain on Redeemable shares

On 30 June 2023, the Company has revised its estimated initial business combination date. As a result, the Company recognised a modification gain of $1.94 million in profit or loss.

(iv) Interest expense

Interest expense was attributed to the accretion of Redeemable shares during the period.

(v) Legal and professional fees

These fees were incurred by the Company for due diligence conducted on potential targets.

(vi) Administrative and other expenses

Administrative and other expenses mainly comprised administrative services fees, accounting and corporate secretarial fees and other miscellaneous expenses incurred.

b) Explanatory Notes to Condensed interim statement of financial position (Please refer to Page 1)

(i) Short term investment

The Company has invested the escrowed funds in the Escrow Account in permitted investments such as Singapore Government Securities bonds ("SGS Bonds"), Singapore Government Securities treasury bills ("SGS T-Bills") and bills issued by the Monetary Authority of Singapore ("MAS Bills"), on the basis that the SGS Bonds, SGS T-Bills and MAS Bills each meet the requirement of liquidity (as they can be liquidated through a sale in the secondary market) and are backed by AAA-rated sovereign or issued by MAS.

The Company invested $214.22 million in MAS Bills, which are permitted investments in the form of cash or cash equivalent short-dated securities of at least A-2 rating (or equivalent).

(ii) Redeemable shares

Ordinary shares (Redeemable shares) which constitute the Offering Units and Cornerstone Units are classified as a liability on the statement of financial position. These shares are classified as financial liabilities as there is a contractual obligation by the Company to deliver cash to the holders of these Offering Units and Cornerstone Units who elect to have such shares redeemed by the Company upon the completion of the Company's initial business combination. These shares are recognised initially at its fair value and subsequently measured, at each reporting period, at amortised cost using the effective interest method. Interest expense is recognised in the statement of comprehensive income.

(iii) Derivative financial liabilities

Each Public Warrant and Private Placement Warrant issued in connection with the Offering Units, Cornerstone Units and Sponsor IPO Investment Units, entitles the holder to purchase one ordinary share at a price of S$5.75 per ordinary share. "S$5.75 per ordinary share" subject to certain terms and conditions. Each Public Warrant and Private Placement Warrant will become exercisable on the later of 30 days after the completion of an initial business combination or 12 months from the close of the IPO and will expire on the fifth anniversary of the completion of an initial business combination, or earlier upon redemption of the Public Warrants and Private Placement Warrants or liquidation of the Company.

c) Explanatory Notes Condensed interim statement of cash flows (Please refer to Page 4)

Net cash used in operating activities was $1.00 million mainly due to legal and professional fees and administrative and other expenses incurred by the Company.

Net cash used in investment activities was $5,862. This primarily relates to the escrowed funds invested in MAS Bills and the escrowed funds placed in the Escrow Account.

Net cash from financing activities was nil.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Company has not disclosed any forecast to the market.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Company operates and any known factors or events that may affect the Company in the next operating period and the next 12 months**

In identifying, evaluating and selecting a target business for our initial business combination, we may encounter intense competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups, leveraged buyout funds, public companies and operating businesses seeking strategic acquisitions. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates.

**5. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared. There is no intention to pay dividend until the initial business combination is completed as disclosed in our Prospectus dated 13 January 2022.

**6. Interested Person Transactions**

The Company has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the SGX-ST (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

8. **Use of IPO Proceeds**

100% of the IPO proceeds are deposited in the Escrow Account and 99.9% of these escrowed funds are invested in MAS bills being permitted investment as at 30 June 2023.

i. The utilisation of proceeds (from the issue of Private Placement Warrants) is in line with the disclosure of the intended use of proceeds in the prospectus. The IPO proceeds placed in the Escrow account are not used for the expenses incurred by the Company to date.

ii. There is no utilisation of any interests and income derived from the amounts placed in the Escrow account.

By Order of the Board
**Vertex Technology Acquisition Corporation Ltd**

**Jiang Honghui**
**Executive Director/Chief Executive Officer**
**31 July 2023**

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

| | |
|---|---|
| **Chua Kee Lock** | **Jiang Honghui** |
| **Director** | **Director** |