

NOVO TELLUS ALPHA ACQUISITION
(a Cayman Islands exempted company)
Registration Number: 381151

Unaudited condensed interim financial statements
For the six-month period ended 30 June 2023

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Condensed interim balance sheet
As of 30 June 2023

	Note	30 June 2023 \$	31 December 2022 \$
Assets			
Investment in bonds	4	156,527,440	155,378,190
Interest receivable		535,476	608,179
Prepayment		96,453	163,770
Other receivables		–	74
Cash and cash equivalents	5	788,655	2,076,254
Restricted cash	5	3,575,250	1,636,310
Current assets/Total assets		161,523,274	159,862,777
 Liabilities and shareholders' deficit			
Liabilities			
Other payables	6	118,801	189,815
Income tax payable		256,195	–
Deferred underwriting commission	13	5,065,968	5,065,968
Warrant liabilities	7	2,655,832	1,475,462
Current liabilities/Total liabilities		8,096,796	6,731,245
 Commitments and contingencies			
Class A shares subject to possible redemption, \$0.0001 par value; 300,000,000 shares authorised; 31,018,500 shares issued and outstanding at 30 June 2023	9	155,092,500	155,092,500
 Shareholders' deficit:			
Class B shares, \$0.0001 par value; 100,000,000 shares authorised; 7,754,625 shares issued and outstanding at 30 June 2023	8	775	775
Accumulated deficit		(1,666,797)	(1,961,743)
		(1,666,022)	(1,960,968)
 Total liabilities and shareholders' deficit		161,523,274	159,862,777
 Net asset value per share*:		3.96	3.95

* *Net asset value per share does not equate to redemption value per share. Shareholders holding Class A shares can elect to exercise their rights to redeem their shares for pro rata portion of funds in escrow at time of business combination vote.*

The accompanying notes form an integral part of these condensed financial statements.

Condensed interim statement of operations
Period ended 30 June 2023

	Note	Period from 1 January 2023 to 30 June 2023	Period from 27 January 2022 (date of listing) to 30 June 2022	Change %
		\$	\$	
Interest income		3,015,487	491,773	+513
Fair value (loss)/gains through profit and loss		<u>(1,180,370)</u>	<u>4,909,631</u>	-124
		<u>1,835,117</u>	<u>5,401,404</u>	
Management fees		(90,000)	(77,419)	+16
Operating expenses	10	(735,166)	(462,864)	+59
Other expenses		<u>(145,866)</u>	<u>(113,612)</u>	+28
		<u>(971,032)</u>	<u>(653,895)</u>	
Income before tax		864,085	4,747,509	-82
Income tax expense	11	(569,139)	–	+100
Net income after tax for the period		<u>294,946</u>	<u>4,747,509</u>	-94
Net income per ordinary share:				
Class A ordinary shares - basic and diluted		<u>0.01</u>	<u>0.12</u>	
Class B ordinary shares - basic and diluted		<u>0.01</u>	<u>0.12</u>	
Weighted average ordinary shares outstanding:				
Class A ordinary shares - basic and diluted		<u>31,018,500</u>	<u>31,018,500</u>	
Class B ordinary shares - basic and diluted		<u>7,754,625</u>	<u>7,754,625</u>	

The accompanying notes form an integral part of these condensed financial statements.

Condensed interim statement of changes in shareholders' deficit
Period ended 30 June 2023

	Class A shares		Class B shares		Additional paid-in capital	Accumulated deficit	Shareholders' deficit
	Shares	\$	Shares	\$	\$	\$	\$
At 1 January 2023	–	–	7,754,625	775	–	(1,961,743)	(1,960,968)
Net income	–	–	–	–	–	294,946	294,946
At 30 June 2023	–	–	7,754,625	775	–	(1,666,797)	(1,666,022)

	Class A shares		Class B shares		Additional paid-in capital	Accumulated deficit	Shareholders' deficit
	Shares	\$	Shares	\$	\$	\$	\$
At 27 January 2022 (date of listing)	30,000,000	3,000	7,500,000	750	24,250	(84,284)	(56,284)
Issuance of Class A shares	1,018,500	102	–	–	–	–	102
Issuance of Class B shares	–	–	254,625	25	(25)	–	–
Class A shares subject to possible redemption	(31,018,500)	(3,102)	–	–	–	–	(3,102)
Subsequent remeasurement under ASC480-10-S99	–	–	–	–	(24,225)	(11,951,157)	(11,975,382)
Net income	–	–	–	–	–	4,747,509	4,747,509
At 30 June 2022	–	–	7,754,625	775	–	(7,287,932)	(7,287,157)

Condensed interim statement of cash flows
Period ended 30 June 2023

	Note	Period from 1 January 2023 to 30 June 2023 \$	Period from 27 January 2022 (date of listing) to 30 June 2022 \$
Cash flows from operating activities			
Income before tax		864,085	4,747,509
Adjustments for:			
Interest income		(3,015,487)	(491,773)
Fair value loss/(gains) through profit and loss		1,180,370	(4,909,631)
		<u>(971,032)</u>	<u>(653,895)</u>
Changes in:			
Other receivables and prepayment		67,391	1,463,093
Other payables		(71,014)	(1,378,585)
		<u>(974,655)</u>	<u>84,508</u>
Income tax paid		(312,944)	–
Cash used in operating activities		<u>(1,287,599)</u>	<u>(569,387)</u>
Cash flows from investing activity			
Investment in bonds held in Escrow Account, net of interest		(153,439,250)	(154,404,800)
Redemption of bonds held in Escrow Account		155,378,190	–
Cash generated from/(used in) investing activity		<u>1,938,940</u>	<u>(154,404,800)</u>
Cash flows from financing activities			
Proceeds from issuance of Class B shares		–	25,000
Net proceeds from sale of public units		–	155,092,500
Payment of offering costs		–	(4,464,413)
Proceeds from sale of private placement warrants to Sponsor		–	7,000,000
Cash from financing activities		<u>–</u>	<u>157,653,087</u>
Net increase in cash, cash equivalents, and restricted cash		<u>651,341</u>	<u>2,678,900</u>
Cash, cash equivalents and restricted cash at beginning of period/date of listing		<u>3,712,564</u>	–
Cash, cash equivalents, and restricted cash at end of period	5	<u>4,363,905</u>	<u>2,678,900</u>

The accompanying notes form an integral part of these condensed financial statements.

Notes to the financial statements

Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the prospectus of Novo Tellus Alpha Acquisition (the “Company”) dated 20 January 2022 and registered with the Monetary Authority of Singapore on 20 January 2022 (the “Prospectus”).

1 Corporate information

The Company is an exempted company incorporated with limited liability in the Cayman Islands. The registered office of the Company is at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company is a special purpose acquisition company incorporated for the purpose of effecting a business combination with one or more target businesses.

The Company’s sponsor is Novo Tellus PE Fund 2, L.P, a Cayman Islands registered exempted limited partnership (the “Sponsor”).

The Company will not generate any operating revenues until after the completion of its initial business combination (the “Business Combination”), at the earliest. The Company will generate non-operating income in the form of interest income on Permitted Investments (as defined below) from the proceeds derived from its initial public offering (“IPO”).

Following the closing of the IPO and over-allotment, \$155,092,500 of the gross proceeds from the IPO and the issue and sale of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units was placed in the Escrow Account with DBS Trustee Limited, the Escrow Agent. The Escrow Agent shall be permitted to invest the funds in the Escrow Account on the Company’s behalf in the form of cash or cash equivalent short-dated securities of at least A-2 rating (or an equivalent), including SGS Bonds, SGS T-Bills and MAS Bills (collectively, “Permitted Investments”), prior to the completion of a business combination that meets the Singapore Exchange Securities Trading Limited’s (“SGX-ST”) requirements. These proceeds held in the Escrow Account will not be released until (i) the completion of the Business Combination, (ii) payment of deferred underwriting commissions upon and concurrently with the completion of Business Combination (iii) payment to shareholders who properly elect to redeem their Class A Shares in connection with the completion of the Business Combination or (iv) the redemption of all of the Class A Shares if it is unable to complete the Business Combination within 24 months from 27 January 2022 (“Listing Date”) or within the extension period, subject to, among others, applicable law and the listing rules of the SGX-ST.

The Company consummated the issuance and sale of the Private Placement Warrants and the Founder Shares generating gross proceeds of \$7,025,000 which will not be held in the Escrow Account and will be used to pay all listing and application fees, underwriting commissions, professional fees and miscellaneous offering expenses, with the remaining balance for general corporate and working capital purposes.

The Company continues to search for suitable targets that have leadership or disruptive potential in the technology and industrial sector in the Indo-Pacific region and are able to serve global or continental markets. The focus is on companies and business models that have reached sufficient business size to generate superior economies of scale as they grow.

The activities to identify an optimal business combination target are ongoing and the Company does not report any material updates at present. As at the date of this Announcement, the Company has not identified a conclusive business combination target and has not entered into any written binding acquisition agreement in relation to a potential Business Combination. There are no material changes to the objective, strategy, status and capital of the Company.

2 Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

2.2 Going concern

These financial statements have been prepared in accordance with U.S. GAAP assuming the Company will continue as a going concern. We draw attention to the IPO prospectus for the Company and Note 1 to the financial statements, which indicate that:

- (i) The Company’s purpose is to seek a business combination that is approved by public shareholders and completed by 27 January 2024 (“Deadline”);
- (ii) If the Company requires an extension, it may seek approval from public shareholders and SGX-ST to extend the Deadline by an additional 12 months;
- (iii) If a business combination is not completed and an extension is not approved, then the Company will commence an orderly return of escrowed cash to Class A shareholders, followed by a procedural wind-down of the Company (the “Class A Shareholder Redemption”), as established in the IPO prospectus.

As of the date of this report, the Company has not announced a conclusive business combination target and has not entered into any binding acquisition agreement in relation to a potential business combination.

As such, there is substantial doubt with regard to which of the outcomes above will be realised in the next 12 months. In outcome (iii), the escrowed cash will be returned to Class A shareholders and the Company will be wound down and cease to be a going concern.

Accordingly, the Company will continue to apply going concern basis of accounting and will continue to monitor its progress towards a business combination along with the likelihood of a Class A Shareholder Redemption to determine if there is a need to revisit this basis.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars (“SGD”), which is the Company’s functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and make disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reporting period.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate 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 such 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. No monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of transactions. Foreign currency differences arising on translation are generally recognised in the statement of operations.

3.2 Other receivables

Other receivables are stated at net realisable value. On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off based on a past history of write-offs, collections, and current credit conditions. A receivable is considered past due if the Company has not received payments based on agreed-upon terms. The Company generally does not require any security or collateral to support its receivables.

3.3 Cash and cash equivalents

The Company considers all highly liquid investments with an original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value.

3.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3.5 Concentration of credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. Financial instruments that potentially subject the Company to concentrations of credit risk consist of other receivable, cash and cash equivalents, restricted cash and investment in bonds. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

The carrying amounts of financial assets represent the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of its financial assets.

3.6 Financial instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the balance sheet due to their short-term nature.

Held-to-maturity securities

The debt securities are classified as held to maturity as the management has both the positive intent and ability to hold the individual debt securities until maturity. The debt securities are measured subsequently at amortised cost in the balance sheet.

3.7 Fair value measurements

The Company uses valuation approaches that maximise the use of observable inputs and minimise the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principle or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorised in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

3.8 Income taxes

Under ASC 740, “Income Taxes,” deferred tax assets and liabilities are recognised for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income in the period of the enactment date. Valuation allowances are established when it is more likely than not that some or all of the deferred tax assets will not be realised.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognised, a tax position must more likely than not be sustained upon examination by taxing authorities. The Company recognises accrued interest and penalties related to unrecognised tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at 30 June 2023. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from this position.

There is currently no taxation imposed on income or capital gains of the Company by the Government of Cayman Islands. Where control and management of the Company’s business is exercised in Singapore, the Company is regarded as a tax resident of Singapore and its income is subjected to tax in Singapore.

3.9 Class A ordinary shares subject to possible redemption

For ordinary shares with redemption features that are not solely within the control of the Company, the Company applies the requirements of ASC 480-10-S99. Accordingly, such ordinary shares are classified as temporary equity (outside of permanent equity).

If classification of an equity instrument as temporary equity is no longer required (if, for example, a redemption feature lapses, or there is a modification of the terms of the instrument), the existing carrying amount of the equity instrument should be reclassified to permanent equity at the date of the event that caused the reclassification.

A public Shareholder will have the right to redeem its Class A Shares for an amount in cash equal to its pro rata share of the aggregate amount in the Escrow Account at the point of Business Combination. In addition, the Class A Shares will be redeemed by the Company for a distribution in cash equal to its pro rata share of the aggregate amount then on deposit in the Escrow Account and in such other accounts held by the Company (less up to S\$100,000 of interest to pay winding up and dissolution expenses and net of taxes payable) if any of the following events occurs:

- the company is unable to complete the initial business combination within 24 months from the Listing Date, or within the extension period;
- a resolution of the Company’s Shareholders is proposed to be passed pursuant to the Cayman Islands Companies Act to commence the voluntary winding up and liquidation of the Company prior to the consummation of a business combination for any reason; or

- if otherwise required under the Listing Manual before the completion of a business combination.

(the “Liquidation Events”)

As a result, such ordinary shares will be recorded at their redemption amount and classified as temporary equity upon the completion of the IPO, in accordance with ASC 480.

The Company recognises changes in redemption value immediately as they occur and adjusts the carrying value of redeemable ordinary share to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable ordinary share are affected by charges against additional paid in capital and accumulated deficit.

For the avoidance of doubt, the Public Shares are equity in legal form.

3.10 Offering costs

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin Topic 5A “Expenses of Offering”. The Company incurred offering costs allocated to the Class A ordinary shares contained in the Units sold in connection with the Public IPO primarily consisting of accounting and legal services, securities registration expenses and exchange listing fees. Offering costs allocated to the issuance and sale of the Class A ordinary shares contained in the Units of \$9,530,382 were charged to temporary equity and offering costs of \$71,508 allocated to the issuance and sale of the Public Warrants included in the Units were expensed.

3.11 Net Income per Ordinary Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, “*Earnings Per Share*”. Net income per ordinary share is computed by dividing net income by the weighted average number of ordinary shares outstanding during the period as calculated using the treasury stock method. As of 30 June 2023, the Company had outstanding Warrants and Private Placement Warrants to purchase up to 29,509,249 Class A Shares. The weighted average of these shares was excluded from the calculation of diluted net income per ordinary share since the exercise of these instruments is contingent upon the occurrence of future events. As a result, diluted net income per ordinary share is the same as basic net income per ordinary share.

The Company has two classes of ordinary shares, Class A ordinary shares and Class B ordinary shares. Earnings and losses are shared pro rata between the two classes of ordinary shares.

	Period from 1 January 2023 to 30 June 2023	
	Class A	Class B
Basic and diluted net income per ordinary share:		
Numerator:		
Allocation of net income	\$235,957	\$58,989
Denominator:		
Weighted average ordinary shares outstanding:	31,018,500	7,754,625
Basic and diluted net income per ordinary share	\$0.01	\$0.01

	Period from 27 January 2022 (date of listing) to 30 June 2022	
	Class A	Class B
Basic and diluted net income per ordinary share:		
Numerator:		
Allocation of net income	\$3,798,007	\$949,502
Denominator:		
Weighted average ordinary shares outstanding:	31,018,500	7,754,625
Basic and diluted net income/(loss) per ordinary share	\$0.12	\$0.12

3.12 Founder Shares, Private Placement Warrants and Contingent Capital Warrants

In respect of the issuance of Founder Shares, Private Placement Warrants and (if applicable) Contingent Capital Warrants, the Company will determine if such transaction falls within the scope of ASC 718 where the Company receives services from a counterparty in a share-based payment transaction, which depends on conditions and circumstances, including but not limited to the fair value of the instruments post-IPO.

In the event that the Company determines that the transaction does not fall within the scope of ASC 718, the Company will apply the requirements of ASC 480 to the financial instrument.

3.13 Warrant Liabilities

The Company evaluated the Public Warrants and Private Placement Warrants (collectively, “Warrant Securities”) in accordance with ASC 815-40, “Derivatives and Hedging — Contracts in Entity’s Own Equity” and concluded that the Warrant Securities could not be accounted for as components of equity. As the Warrant Securities meet the definition of a derivative in accordance with ASC 815, the Warrant Securities are recorded as derivative

liabilities on the Consolidated Balance Sheet and measured at fair value at inception and remeasured at each reporting date in accordance with ASC 820, “Fair Value Measurement”, with changes in fair value recognised in the statement of operations in the period of change.

For Public Warrants which require net cash settlement (upon events that include a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the entity), the Company will classify such Public Warrants as liabilities.

This liability is subject to remeasurement at each balance sheet date. With each such remeasurement, the warrant liabilities will be adjusted to fair value, with the change in fair value recognised in the Company’s statement of operations.

3.14 Stock Compensation Expense

The Company accounts for stock-based compensation expense in accordance with ASC 718, “Compensation – Stock Compensation” (“ASC 718”). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date and recognised over the requisite service period. To the extent a stock-based award is subject to a performance condition, the amount of expense recorded in a given period, if any, reflects an assessment of the probability of achieving such performance condition, with compensation recognised once the event is deemed probable to occur. The fair value of equity awards has been estimated using a market approach. Forfeitures are recognised as incurred.

The Company’s Class B ordinary shares were issued subject to a performance condition, namely the occurrence of a Business Combination. This market condition is considered in determining the grant date fair value of these instruments using Monte Carlo simulation. Compensation expense related to the Class B ordinary shares is recognised only when the performance condition is probable of occurrence, or more specifically when a Business Combination is consummated. Therefore, no stock-based compensation expense has been recognised during the period from inception to 30 June 2023.

3.15 Interest income

Interest income is generated from investment in bonds and is recognised using the effective interest method.

3.16 Recently issued accounting pronouncements

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company’s financial statements.

4 Investment in bonds held in Escrow Account

	30 June 2023	31 December 2022
	\$	\$
At the beginning of financial period	155,378,190	–
Additions	156,527,440	155,378,190
Redemption	(155,378,190)	–
At the end of period financial period	<u>156,527,440</u>	<u>155,378,190</u>

The investment bonds are issued by Monetary Authority of Singapore, have quoted prices in active markets and will mature on 25 August 2023.

At maturity, the Company will receive nominal amount of \$158,000,000.

5 Cash, cash equivalents and restricted cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash within the balance sheet that sum to the total of the same such amounts shown in the condensed interim statement of cash flows.

	30 June 2023	31 December 2022
	\$	\$
Cash in bank	788,655	2,076,254
Restricted cash	3,575,250	1,636,310
	<u>4,363,905</u>	<u>3,712,564</u>

At 30 June 2023, the Company held cash totalling to \$788,655 (2022: \$2,076,254) in its operating bank account and \$3,575,250 (2022: \$1,636,310) in its Escrow Account.

Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. The Company considers the amount in Escrow Account to be restricted cash. Please refer to Note 1 for further information on the Escrow Account.

At 30 June 2023, the Company has, from the funds in the Escrow Account, invested \$156,527,440 (2022: \$155,378,190) in bonds issued by the Monetary Authority of Singapore (refer to Note 4).

6 Other payables

	30 June 2023	31 December 2022
	\$	\$
Accrued operating expenses	118,801	178,200
Other payables	-	11,615
	<u>118,801</u>	<u>189,815</u>

At the reporting date, the carrying amounts of other payables approximated their fair values.

7 Warrant liabilities

The Private Placement Warrants were valued using the Black-Scholes formula and the following table summarises the significant key inputs used in the valuation of Private Placement Warrants that are categorised in Level 3 of the fair value hierarchy:

Key inputs	30 June 2023	31 December 2022
Implied volatility	6.3%	5%
Years to Expiration	5.5 years	6 years
Risk-free rate	3.11%	2.88%
Instrument exercise price	\$5.75	\$5.75

The Public Warrants measured using the observed trading price are categorised in Level 1 of the fair value hierarchy as of 30 June 2023.

The following table presents information about the Company's warrants measured at fair value:

	30 June 2023	31 December 2022
	\$	\$
Warrant liabilities at fair value		
Level 1	1,395,832	775,462
Level 2	-	-
Level 3	1,260,000	700,000
	<u>2,655,832</u>	<u>1,475,462</u>

The fair value of the warrant liabilities at initial measurement date is \$9,445,000. For the period ended 30 June 2023, the change in fair value of \$1,180,370 (2022: \$7,969,538) is recognised as fair value loss/gains through profit and loss in the condensed interim statement of operations.

Changes in Level 3 measurements

The following table presents changes in warrants classified in Level 3 of the fair value hierarchy:

	30 June 2023		
	Private placement warrants	Public Warrants	Total
	\$	\$	\$
Warrants at fair value			
At beginning of financial period	700,000	–	700,000
Change in fair value	560,000	–	560,000
Fair value as at 30 June 2023	1,260,000	–	1,260,000

	31 December 2022		
	Private placement warrants	Public Warrants	Total
	\$	\$	\$
Warrants at fair value			
At beginning of financial period	–	–	–
Warrants issued	7,000,000	2,445,000	9,445,000
Change in fair value	(6,300,000)	(894,075)	(7,194,075)
Transfer out of Level 3	–	(1,550,925)	(1,550,925)
Fair value as at 31 December 2022	700,000	–	700,000

The Public and Private Placement Warrants were classified as Level 3 at the initial measurement date, and the Private Placement Warrants were classified as Level 3 as of 30 June 2023 (2022: Level 3) due to the use of unobservable inputs. At 16 March 2022, the Public Warrants were reclassified from a Level 3 to Level 1 due to use of the observed trading price of the separated Public Warrants.

8 Class B shares

	30 June 2023	
	No. of shares	\$
Issued Class B ordinary shares		
At beginning and end of financial period	<u>7,754,625</u>	<u>775</u>

	31 December 2022	
	No. of shares	\$
Issued Class B ordinary shares		
At beginning of financial period	1	*
Effect of change to par value	9	*
Surrendered ¹	(10)	–
Issuance of shares	7,754,625	25,000
Subsequent remeasurement under ASC480-10-S99	–	(24,225)
At end of financial period	7,754,625	775

* *Less than \$1*

¹ *In addition to the change of par value from \$0.001 to \$0.0001, the Sponsor has agreed to surrender for no consideration of the 10 Class B Shares held.*

The Company has not paid and does not intend to pay any cash dividends on its ordinary shares prior to the completion of the Business Combination. Additionally, the Company's board of directors does not contemplate or anticipate declaring any stock dividends in the foreseeable future.

In the event of liquidation or winding-up, the assets of the Company shall be distributed according to the following order of priority:

- Preferred and secured creditors
- Floating charge creditors
- Unsecured creditors
- Interest on debts outstanding since commencement of liquidation

The remaining assets of the Company shall be distributed rateably in accordance with the ordinary shareholders' rights and interests.

9 Class A shares subject to possible redemption

	30 June 2023	
	No. of shares	\$
At beginning and end of financial period	31,018,500	155,092,500
	31 December 2022	
	No. of shares	\$
At beginning of financial period	–	–
Proceeds from IPO	31,018,500	155,092,500
Proceeds allocated to public warrants	–	(2,445,000)
Cost directly attributable to IPO shares	–	(9,530,382)
Remeasurement of carrying value to redemption value	–	11,975,382
At end of financial period	31,018,500	155,092,500

The expenses that are directly attributable to the issue of new shares are accounted for as a deduction from equity.

Each Shareholder holding Class A Shares except Sponsor shall be entitled to redeem their Class A Shares for a pro rata portion of the amount in the Escrow Account at the time of the business combination vote.

The Company accounts for Class A ordinary share subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Class A ordinary shares subject to redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control is classified in temporary equity. At all other times, ordinary share is classified as shareholders’ equity. The Company’s Class A ordinary share features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, at 30 June 2023, the Class A ordinary share is presented as temporary equity, outside of the shareholders’ deficit section of the Company’s balance sheet.

10 Operating expenses

	Period from 1 January 2023 to 30 June 2023	Period from 27 January 2022 30 June 2022
	\$	\$
Professional services fees	604,865	147,118
CDP maintenance fees	5,751	2,700
Other IPO related cost	–	146,774
Escrow maintenance fees	8,500	6,370
Issuance cost	–	71,508
Listing fees	35,000	14,583
Director fees	75,000	70,685
Foreign exchange loss	6,050	3,126
	735,166	462,864

11 Taxation

	Period from 1 January 2023 to 30 June 2023	Period from 27 January 2022 (date of listing) to 30 June 2022
	\$	\$
Current income tax		
- current period	256,195	–
- under provision in prior financial period	312,944	–
Total income tax expense recognised in condensed interim statement of operations	569,139	–

A reconciliation between the tax expenses and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Period from 1 January 2023 to 30 June 2023	Period from 27 January 2022 (date of listing) to 30 June 2022
	\$	\$
Profit before income tax	864,085	4,747,509
Tax calculated using Singapore statutory tax rate of 17% (2022: 17%)	146,894	807,077
Income not subject to tax	–	(807,077)
Effects of tax concession	(179,336)	–
Non-deductible expenses	306,062	–
Tax exemption	(17,425)	–
Income tax expense - current period	256,195	–
Under provision in prior financial period	312,944	–
Total income tax expense	569,139	–

There is currently no taxation imposed on income or capital gains of the Company by the Government of Cayman Islands. Where control and management of the Company's business is exercised in Singapore, The Company is regarded as a tax resident of Singapore and its income is subjected to tax in Singapore.

12 Related Party Transactions

Founder Shares

On 26 January 2022, the Sponsor subscribed 7,500,000 Founder Shares for a nominal subscription amount of \$25,000. On 2 March 2022, the Sponsor further subscribed additional 254,625 Founder shares pursuant to the partial exercise of the Over-allotment Option.

As of 30 June 2023, there were 7,754,625 (2022: 7,754,625) Founder Shares outstanding. The Founder Shares are designated as Class B Shares are identical to the Class A Shares included

in the Offering Units, and holders of Founder Shares have the same shareholder rights as holders of the Class A Shares except that Class B Shares are not redeemable in connection with an initial business combination and have no right to vote in respect of certain matters including, without limitation:

- an extension of time to complete a business combination in accordance with our Memorandum and Articles of Association and the rules or regulations of the SGX-ST;
- approval of the business combination in accordance with our Memorandum and Articles of Association; and
- any other matters required pursuant to the applicable rules or regulations of the SGX-ST.

The Founder Shares do not have the same redemption rights as the Class A Shares and will not be entitled to participate in any distributions from the Escrow Account on the redemption of the Class A Shares or upon liquidation of our Company.

The Founder Shares, being the Class B Shares, are not listed and traded on the SGX-ST. The Founder Shares will automatically convert into Class A Shares concurrently with or as soon as Practicable following the consummation of the Business Combination on a one-for-one basis.

Private Placement Warrants

On 26 January 2022, the Sponsor subscribed 14,000,000 Private Placement Warrants at a purchase price of \$0.50 per warrant, or \$7,000,000 in the aggregate. Each Private Placement Warrant entitles the holder to purchase one Class A ordinary share at \$5.75 per share, subject to adjustment.

Warrant Proceeds are used to fund the working capital requirements of the Resulting Issuer following the completion of Business Combination. This is subject to the specific requirements of the business of the Company at such time that the Warrants are exercised which the Company is not able to determine at the time of this Announcement since the Company has not yet selected any specific initial business combination target or initiated any substantive discussions with any business combination target.

Class A Shares and Public Warrants

On 26 January 2022, the Sponsor subscribed 4,000,000 Class A Shares and 2,000,000 Public Warrants for a subscription amount of \$20,000,000.

Payments made on behalf by the Sponsor

During the period, the Sponsor made payment on behalf of the Company amounting \$0 (2022: \$141,200).

Service Agreement

The Company entered into an agreement with Novo Tellus Capital Partners Pte. Ltd. (“Novo Tellus Capital Partners”) dated 13 January 2022 to pay Novo Tellus Capital Partners \$15,000 a month for administrative and secretarial support services, accounting services, transaction and project management services (such as providing administrative and coordination support) and investor relations services, in each case as the Company may reasonably require from time

to time. This obligation is effective from the Listing Date until the earlier of (i) the consummation of the Business Combination, and (ii) the liquidation of the Company. As of 30 June 2023, the Company incurred expenses of \$90,000 (2022: \$77,419) under this agreement and disclosed as management fees under the condensed interim statement of operations.

13 Deferred underwriting commission

A deferred underwriting commission of 3.50% of the gross proceeds from IPO, the issue and sale of the Cornerstone Units, the Sponsor IPO Investment Units and the Additional Units, amounting to \$5,065,968 (2022: \$5,065,968), will become payable upon the Company's completion of Business Combination. The underwriters have waived their rights to the deferred underwriting commissions in the event a Liquidation Event occurs prior to the completion of Business Combination.

The Company is actively looking for business opportunities to complete the Business Combination.

14 Subsequent Events

The Company has evaluated subsequent events from the reporting date through 8 August 2023, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

Other Information Required by Appendix 7.2 of the
Listing Manual of the SGX-ST (“Listing Manual”)

OTHER INFORMATION

1 Review

The condensed interim balance sheet of the Company as at 30 June 2023 and the related condensed interim statement of operations, condensed interim statement of changes in shareholders' deficit and condensed interim statement of cash flows each for the period from 1 January 2023 to 30 June 2023 and certain explanatory notes have not been audited or reviewed.

2 Review of performance

Please refer to unaudited condensed interim financial statements of the Company for the period of six months ended 30 June 2023.

Operating and other expenses relate to offering expenses, general corporate expenses and other working capital. Please refer to Note 10 for the breakdown of operating expenses.

Professional services fees include accounting, audit, corporate secretarial fees and professional services for the purposes of identifying a business combination target.

Other expenses include Goods and Service Tax, bank charges and miscellaneous expenses.

The Company received interest income in respect of the investment of the funds from the Escrow Account in MAS Bills.

3 Use of proceeds

	Proceeds from the issue and sale of Private Placement Warrants and Founder Shares		Grant income ⁽²⁾ - amount utilised
	Per Prospectus	Amount utilised	
	S\$'000	S\$'000	S\$'000
Funds not held in the Escrow Account			
Underwriting commissions	2,600	2,552	–
Listing and application fees	120	120	–
Professional fees and miscellaneous expenses	2,400	2,400	43
General corporate and working capital purposes ⁽¹⁾	1,905	1,905	217
	7,025	6,977	260

There is no material deviation in the use of proceeds from the issue and sale of the Private Placement Warrants and the Founder Shares (which were not deposited in the Escrow Account) as at the date of this Announcement, compared with the disclosure of the intended use of such proceeds stated in the Prospectus.

Approximately 99% of the gross proceeds raised from the Offering and the issue of the Cornerstone Units and the Sponsor IPO Investment Units (which were deposited in the Escrow Account) has been invested in MAS Bills. There is no utilization of the interest income received.

Note:

(1) “General corporate and working capital purposes” refer to recurring operating expenses such as Service Fees and independent director’s fees, regulatory, escrow and insurance expenses.

(2) “Grant income” refers to grant received from MAS-Financial Sector Development Fund under the GEMS Grant Scheme of S\$1,000,000.

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

There is no forecast, or a prospect statement, that has been previously disclosed to shareholders.

5 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

The Company has been active with building and advancing a pipeline of potential business combination targets that are consistent with the investment profile of the Company’s IPO offering, focusing on businesses in technology and industrial sectors in the Indo-Pacific region, where a combination with the Company can build lasting business value in close partnership with management teams.

The activities to identify an optimal business combination target are ongoing and the Company does not report any material updates at present. As at the date of this Announcement, the Company has not identified a conclusive business combination target and has not entered into any written binding acquisition agreement in relation to a potential Business Combination. Other than as disclosed in this Announcement, there are no material changes to the objective, strategy, status and capital of the Company.

6 Dividend information

No dividend has been declared or recommended for the current financial period reported, being from 1 January 2023 to 30 June 2023. The Company is a special purpose acquisition company and as disclosed in the Prospectus, does not intend to pay cash dividends prior to the completion of the Business Combination and currently does not have a fixed dividend policy for the period after the Business Combination.

7 Interested person transactions

The Company has not obtained a general mandate from Shareholders for interested person Transactions.

8 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 has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

By Order of the Board

Loke Wai San
Executive Chairman & Chief Executive Officer

8 August 2023

Confirmation by the board of directors of the Company (the “Board of Directors”) pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the 1H2023 Financial Statements to be false or misleading in any material aspect.

On behalf of the Board of Directors



Loke Wai San
Director



Keith Hsiang-Wen Toh
Director

Singapore
8 August 2023