AQUILA ACQUISITION CORPORATION

(Incorporated in the Cayman Islands with limited liability)

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023 AND ANNUAL REPORT 2023

The board (the "**Board**") of directors (the "**Directors**") of Aquila Acquisition Corporation (the "**Company**") presents the audited financial results of the Company for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, and the annual report of the Company for the year ended 31 December 2023.

By order of the Board
AQUILA ACQUISITION CORPORATION
Rongfeng JIANG
Chairman of the Board

Hong Kong, 28 March 2024

As at the date of this announcement and report, the Board of Directors comprises Mr. Rongfeng JIANG as Chairman and Executive Director, Ms. Di LE as Executive Director, Ms. Qian WU and Ms. Xiaoxiao QI as Non-Executive Directors, and Dr. Fangxiong GONG, Mr. Kim Lam NG and Ms. Wenjie WU as Independent Non-Executive Directors.

CONTENTS

CORPORATE INFORMATION

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

BOARD OF DIRECTORS
Executive Directors
Mr. Rongfeng JIANG
(Chairman and Chief Executive Officer)
Ms. Di LE *(Chief Operating Officer)*

Non-Executive Directors
Ms. Qian WU
Ms. Xiaoxiao QI

Independent Non-Executive Directors
Dr. Fangxiong GONG
Mr. Kim Lam NG
Ms. Wenjie WU
(Appointed with effect from 5 February 2024)
Mr. Lei ZHONG
(Resigned with effect from 5 February 2024)

AUDIT COMMITTEE
Mr. Kim Lam NG *(Chairman)*
Ms. Qian WU
Ms. Wenjie WU
(Appointed with effect from 5 February 2024)
Mr. Lei ZHONG
(Resigned with effect from 5 February 2024)

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

REMUNERATION COMMITTEE
Ms. Wenjie WU (Chairman)
(Appointed with effect from 5 February 2024)
Ms. Qian WU
Dr. Fangxiong GONG
Mr. Lei ZHONG
(Resigned with effect from 5 February 2024)

CHIEF FINANCIAL OFFICER
Dr. Xiangyu ZHANG

ADVISORY BOARD
Mr. Ju ZHAO *(Chairman)*
Mr. Kexiang ZHOU
Mr. Guozheng YU

COMPANY SECRETARY
Ms. Siu Kuen LAI

AUTHORISED REPRESENTATIVES
Mr. Rongfeng JIANG
Ms. Di LE

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

HONG KONG LEGAL ADVISER
Freshfields Bruckhaus Deringer

COMPLIANCE ADVISER
Altus Capital Limited

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
46/F, Champion Tower
3 Garden Road, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

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

PRINCIPAL BANKER
The Hongkong and Shanghai Banking Corporation Limited

TRUSTEE OF THE ESCROW ACCOUNT
CCB (Asia) Trustee Company Limited

COMPANY WEBSITE
www.aquilaacq.com.hk

STOCK CODE
7836

WARRANT CODE
4836

LISTING DATE
18 March 2022

CHAIRMAN'S STATEMENT

The Company is a special purpose acquisition company ("**SPAC**") formed for the purpose of effecting a business combination with one or more businesses. The Company has been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 18 March 2022 (the "**Listing Date**") and was the first SPAC to list in Hong Kong.

On 31 August 2023, the Company became the first SPAC in Hong Kong to announce a de-SPAC transaction when it announced its business combination with ZG Group (the "**Target Company**", together with its subsidiaries, the "**Target Group**"), which operates the world's largest digital platform for third-party steel transactions[1].

As disclosed in the Company's announcement dated 31 August 2023 (the "**De-SPAC Announcement**") in respect of the de-SPAC transaction (the "**De-SPAC Transaction**"), the Company entered into, among others, (i) a business combination agreement with ZG Group (formerly known as Zhaogang.com Inc) (the "**Target Company**") and a wholly-owned subsidiary of the Target Company (the "**Merger Sub**") in relation to the merger of Merger Sub with and into the Company (the "**Merger**") with the Company being the surviving entity following the Merger and becoming a direct wholly-owned subsidiary of the Target Company, in order to achieve a listing of the shares of the Target Company as the successor company (the "**Successor Company**") on the Stock Exchange, (ii) PIPE subscription agreements with the Target Company and independent third party investors in relation to subscription of shares to be issued by the Successor Company, and (iii) a promoter earn-out and lock-up agreement with the Target Company, the promoters of the Company (the "**Promoters**") and the other parties named therein pursuant to which the Promoters have been granted the earn-out right in connection with the De-SPAC Transaction.

During the financial year ended 31 December 2023 and prior to the De-SPAC Announcement, the Company and the Promoters focused on identifying de-SPAC targets and negotiating the terms of the De-SPAC Transaction with the Target Company. Since the De-SPAC Announcement and up to the date of this report, the Company and the Promoters have been working closely with the Target Company with respect to its listing application to the Stock Exchange and on executing and closing the De-SPAC Transaction.

As disclosed in the Company's announcement dated 28 March 2024, a circular containing, among other things, (i) further information on the De-SPAC Transaction, the Merger, the Target Company and other information as required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), (ii) details of the exchange of Class A Shares and Listed Warrants of the Company for class A shares and warrants to be issued by the Successor Company pursuant to the De-SPAC Transaction and the withdrawal of the listing of the Class A Shares and Listed Warrants of the Company, (iii) details of the redemption rights of the Shareholders in relation to the De-SPAC Transaction, and (iv) a notice of the extraordinary general meeting to be convened for the Shareholders to consider and, if appropriate, approve the De-SPAC Transaction, is expected to be dispatched to the Shareholders before the end of April 2024.

The Promoters and the Board of Directors remain confident in completing the De-SPAC Transaction within the deadline stipulated under the Listing Rules. The Company will make further announcements as and when appropriate regarding updates to the progress of the De-SPAC Transaction.

---

1 As measured by online steel transaction volume in 2022, according to China Insights Industry Consultancy Limited, the industry consultant of the Target Company.

Shareholders, warrantholders and potential investors in the securities of the Company should note that the De-SPAC Transaction and all transactions thereunder are subject to, among other things, compliance with applicable legal and regulatory requirements, including the requirements for approval by shareholders of the companies concerned at general meeting(s) and approval of the Stock Exchange and/or other regulators. Accordingly, there is no certainty as to whether, and if so when, any such proposed transactions will proceed and/or will become effective.

Rongfeng JIANG
Chairman of the Board
28 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Company is a special purpose acquisition company formed for the purpose of effecting a business combination with one or more businesses. On 31 August 2023, the Company announced that it has entered into (i) the Business Combination Agreement with ZG Group (formerly known as Zhaogang.com Inc) (being the Target Company) and the Merger Sub (a wholly-owned subsidiary of ZG Group) in relation to the Merger and the Bonus Share Issue, (ii) the PIPE Investment Agreements with the Target Company and the PIPE Investors in relation to the PIPE Investments, and (iii) the Promoters Earn-out and Lock-up Agreement with the Target Company, the Promoters and the other parties named therein pursuant to which the Promoters have been granted the Promoter Earn-out Right in connection with the De-SPAC Transaction. The De-SPAC Transaction as contemplated in the Business Combination Agreement will result in the business combination of Aquila with the Target Group and the listing of the Target Company as the Successor Company on the Stock Exchange. Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the De-SPAC Announcement.

As of 31 December 2023, the Company had not used the proceeds from the offering of its Class A shares and listed warrants (the "**Offering**") which was completed on 18 March 2022 and deposited into a ring-fenced escrow account (the "**Escrow Account**") and held in the form of restricted bank deposits or the proceeds from the sale of Promoter Warrants which was completed simultaneously with the Offering. The Company plans to use the proceeds to meet redemption requests of Class A Shareholders in connection with the De-SPAC Transaction and fund the De-SPAC Transaction and other expenses.

The Company will make further announcements in relation to the De-SPAC Transaction as and when appropriate.

OUTLOOK

The Company will not generate any operating revenue prior to the completion of the De-SPAC Transaction. The Company expects to generate non-operating income in the form of interest and other income on the proceeds from the Offering held in the Escrow Account and the sale of the Class B shares and promoter warrants.

The Company will continue to incur expenses as a publicly listed company (for legal, financial reporting, accounting and auditing compliance) and in connection with executing the De-SPAC Transaction until the completion of the De-SPAC Transaction.

BUSINESS REVIEW

During the year ended 31 December 2023, the Company did not engage in any operations and did not generate any revenue. The Company's only activities during the year ended 31 December 2023 were activities related to the search for prospective de-SPAC targets and the De-SPAC Transaction. As of the date of this announcement and report, save for the De-SPAC Transaction and arrangements in connection with the De-SPAC Transaction as announced by the Company on the Stock Exchange, there have been no material events affecting the Company or its listed securities since 31 December 2023.

FINANCIAL REVIEW

The following table sets forth the Company's statement of profit or loss and other comprehensive income for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022.

	2023	2022
	HK$'000	*HK$'000*
Revenue	**–**	–
Other income and loss	**45,017**	9,356
Change in fair value of warrant liabilities	**901**	(5,904)
Amortisation of transaction cost on redeemable Class A shares	**–**	(62,177)
Listing expenses	**–**	(4,012)
Administrative expenses	**(90,459)**	(71,474)
Loss before Income tax expense	**(44,541)**	(134,211)
Income tax expense	**–**	–
Loss and total comprehensive loss for the year	**(44,541)**	(134,211)
Loss per share (Basic and diluted)	**HK$1.85**	HK$4.54

For the year ended 31 December 2023, the Company had a loss and total comprehensive loss for the year of HK$44.5 million, which consisted of administrative expenses of HK$90.5 million and were partially offset by other income and loss of HK$45.0 million and change in fair value of warrant liabilities of HK$0.9 million.

Revenue

The Company did not generate any revenue in the year ended 31 December 2023.

Other income and loss

The Company's other income and loss during the year ended 31 December 2023 mainly consisted of bank interest income, primarily representing interest income on the gross proceeds of the Offering held in the Escrow Account.

Change in fair value of warrant liabilities

As of 31 December 2023, the fair value of listed warrants was approximately HK$5.0 million, which was determined on its quoted market price, resulting in the recognition of fair value gain of HK$0.9 million in the year ended 31 December 2023 as compared to fair value loss of HK$5.9 million in the year ended 31 December 2022.

Administrative expenses

The Company incurred administrative expenses of HK$90.5 million in the year ended 31 December 2023, which were mainly expenses in connection with searching for and evaluation of potential de-SPAC targets, negotiating and executing the De-SPAC Transaction and being a publicly listed company (such as legal, financial reporting, accounting, auditing and compliance expenses).

Loss and total comprehensive loss for the year

As a result of the foregoing, the Company incurred a loss and total comprehensive loss for the year of HK$44.5 million in the year ended 31 December 2023.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2023, the Company had non-current assets of HK$1,000.7 million in the form of restricted bank deposits, and current assets of HK$56.9 million, mainly consisting of cash and cash equivalents of HK$56.9 million. As of 31 December 2023, the Company had current liabilities of HK$1,042.2 million, mostly consisting of redeemable class A shares of HK$1,000.7 million.

Restricted bank deposits

The Company's restricted bank deposits was HK$1,000.7 million as of 31 December 2023 and 31 December 2022, which represented the gross proceeds the Company received from the Offering which are held in the Escrow Account in the form of cash or cash equivalents and recorded as restricted bank deposits.

Cash and cash equivalents

The Company had cash and cash equivalents of HK$56.9 million as of 31 December 2023, as compared to HK$16.6 million as of 31 December 2022. The increase was due to interest income earned on funds held in the Escrow Account.

Redeemable Class A shares

The Company's redeemable Class A shares of HK$1,000.7 million as of 31 December 2023 and 31 December 2022 represented the carrying amount of its Class A shares.

Borrowings

The Company (as borrower) entered into a loan agreement on 13 March 2022 with the Promoters, Mr. Yao LING (who was a promoter of the Company at the time of signing the agreement) and AAC Mgmt Holding Ltd in relation to a HK$20 million unsecured loan facility. As of the date of this announcement and report, no amount had been drawn down under the loan facility. As such, gearing ratio is not applicable to the Company.

Accruals and other payables

As of 31 December 2023, the Company had accruals and other payables of HK$36.5 million, mainly consisting of deferred underwriting commission which would be payable upon completion of a de-SPAC transaction.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Executive Directors

Mr. Rongfeng JIANG (“**Mr. Jiang**”), aged 47, was appointed as the Chairman of the Board in November 2021 and has been the Chief Executive Officer of the Company since January 2022. He also serves as the Chairman of the Nomination Committee of the Company.

Mr. Jiang is a managing director of CMB International Capital Corporation Limited (“**CMBI**”), the general manager of CMB International Asset Management Limited (“**CMBI AM**”) and a key member of the investment committee of CMBI since September 2015, where he is responsible for CMBI’s China offshore alternative investment business which includes private equity investment with a focus on China’s new economy sectors. Prior to joining CMBI, Mr. Jiang was a veteran of affiliates of China Merchants Bank Co., Ltd. (“**CMB**”) who founded and served as the chief executive officer of China Merchants Asset Management (Hong Kong) Company Limited (a wholly owned subsidiary of China Merchants Fund Management Co. Ltd.) from January 2013 to September 2015.

Mr. Jiang obtained a bachelor’s degree in Economics from Peking University in the PRC in July 1998 and a Master of Business Administration degree from Columbia Business School in the U.S. in May 2008.

Mr. Jiang is an officer (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”)) of CMBI AM, a Promoter and SFC-licensed corporation, and has been licensed by the Securities and Futures Commission of Hong Kong (“**SFC**”) to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities since 2015 and Type 1 (dealing in securities) regulated activity since 2020 for CMBI AM. He was nominated to the Board by CMBI AM.

Ms. Di LE (“**Ms. Le**”), aged 33, was appointed as an Executive Director of the Company and has been the Chief Operating Officer of the Company since January 2022.

Ms. Le joined CMBI since March 2017, and she was a vice president of CMBI where she is responsible for project investments of CMBI’s offshore funds. Ms. Le has been promoted to executive director of CMBI in April 2023. Ms. Le has led the execution on multiple transactions primarily in the new economy sectors in China, such as investments in JD Logistics, Inc. (HK: 02618), Xiaomi Corporation (HK: 01810) and Tencent Music Entertainment Group (NYSE: TME). She has worked closely with CMBI’s healthcare team and participated in transactions such as Burning Rock Biotech Limited (NASDAQ: BNR) and Biocytogen Pharmaceuticals (Beijing) Co., Ltd.. She also led multiple Southeast Asia deals with a China angle, such as Grab Holdings Inc. (NASDAQ: GRAB). Prior to joining CMBI in March 2017, Ms. Le worked in the investment department of Daiwa SB Investments (HK) Limited (predecessor of Sumitomo Mitsui DS Asset Management (Hong Kong) Limited) from June 2016 to March 2017 and worked as the assistant manager at China Merchants Asset Management (Hong Kong) Company Limited (a wholly owned subsidiary of China Merchants Fund Management Co. Ltd.) from August 2015 to May 2016.

Ms. Le obtained a bachelor’s degree in Economics from the University of California, Irvine and a master’s degree of Economics from the University of Hong Kong. Ms. Le obtained certification as a certified financial risk manager from Global Association of Risk Professionals (GARP) in 2019.

Ms. Le is an officer (as defined under the SFO) of CMBI AM, a Promoter and SFC-licensed corporation, and has been licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities since 2017 and Type 1 (dealing in securities) regulated activity since 2019 for CMBI AM. She was nominated to the Board by CMBI AM.

Non-Executive Directors

Ms. Qian WU ("**Ms. Wu**"), aged 42, was appointed as a Non-Executive Director of the Company in January 2022. She also serves as the member of each of the Audit Committee and Remuneration Committee of the Company.

Ms. Wu joined CMBI since November 2016, and she is currently a managing director at CMBI and has been appointed as the chief executive officer of CMBI (Singapore) Pte. Limited in August 2023. She is responsible for product and sales of CMBI AM and she supervises the overall operations and post-investment management for CMBI's offshore investments. She also has expertise in deal structuring, including cross-border transactions and transaction financing, and she was responsible for structuring various notable investments, such as investments in SJ Semiconductor (Jiangyin) Corp. and Credo Technology Group (NASDAQ: CRDO).

Before joining CMBI, she was the Chief Operating Officer and Responsible Officer of Rongtong Global Investment Ltd, Assistant Head of the International Business Department of Rongtong Fund Management CO., LTD. from June 2015 to November 2016 where she led on cross-border investments, the Responsible Officer at China Merchants Asset Management (Hong Kong) Co., Ltd., and senior research analyst covering QDII funds as well as QFII accounts investment at China Merchants Fund Management Co., Ltd from April 2006 to May 2015.

Ms. Wu obtained a bachelor's degree and a master's degree from Central South University in the PRC, and a master of business administration degree from The Chinese University of Hong Kong.

Ms. Wu is an officer (as defined under the SFO) of CMBI AM, a Promoter and SFC-licensed corporation. Ms. Wu is a responsible officer of, and has been licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities since 2016 and Type 1 (dealing in securities) regulated activity since 2019 for CMBI AM. She was nominated to the Board by CMBI AM.

Ms. Xiaoxiao QI ("**Ms. Qi**"), aged 44, was appointed as a Non-Executive Director of the Company in January 2022.

Ms. Qi joined CMBI since May 2017, and she is currently a managing director at CMBI and focuses on private equity investment in the technology field, especially fintech. Her investment track record includes investments in Credo Technology (SH) Ltd., Chengdu Kelai Network Technology Co., Ltd. and Beijing Tongxinshang Technology Development Co., Ltd. Before CMBI, she worked at the Private Banking Department, Retail Banking Department and Retail Internet Banking Department of CMB from September 2002 to May 2017, during which she was the supervisor of the e-commerce unit at the Retail Internet Banking Department of CMB from February 2015 to March 2017.

Ms. Qi obtained a bachelor's degree in Economics from Jiangxi University of Finance and Economics in the PRC in July 2001.

Independent Non-Executive Directors

Dr. Fangxiong GONG ("**Dr. Gong**"), aged 60, was appointed as an Independent Non-Executive Director of the Company on 25 February 2022. He also serves as the member of each of the Nomination Committee and Remuneration Committee of the Company.

Dr. Gong was the Chairman of J.P. Morgan China Investment Banking and Chairman of J.P. Morgan China Diversified Industry Clients from 2009 to 2015 until his retirement. Prior to that, Dr. Gong was the Head of J.P. Morgan China Research/Strategy and Chief Economist. Dr. Gong worked at Bank of America prior to joining J.P. Morgan. Dr. Gong was an independent director of Bank of Shanghai Co., Ltd (SSE: 601229) from August 2017 to August 2022.

Dr. Gong is currently a director of First Seafront Fund Management Limited and an independent director of 9F Inc. (NASDAQ: JFU).

Dr. Gong obtained a Ph.D. degree in Economics from the University of Pennsylvania, a masters degree in Operation Research and Economics and a bachelors degree in Physics from Peking University.

Mr. Kim Lam NG ("**Mr. Ng**"), aged 52, was appointed as an Independent Non-Executive Director of the Company on 25 February 2022. He also serves as the Chairman of the Audit Committee and the member of Nomination Committee of the Company.

Mr. Ng was the national head of technology and media sectors for KPMG in China. In this role, Mr. Ng founded the innovative startup center in 2015, established an online and offline model in serving high growth technology companies, and led the teams which developed an online ecosystem app connecting startups, corporates, investors, research institutes and government bodies and a SIP framework to identify and evaluate early-stage technology companies. Mr. Ng served as the core/lead partner establishing the ecosystem of high growth technology companies in China, including Autotech, RetailTech, Fintech, Biotech and Chipset.

Mr. Ng is also a director of Bank of China International Limited, a restricted licence bank authorized under the Hong Kong Banking Ordinance, and has been the non-official member of the Green Technology and Finance Development Committee with effect from 23 June 2023 for a term of two years.

Mr. Ng is a Certified Information Systems Security Professional, a Certified Information Systems Auditor, a Member of American Institute of Certified Public Accountants and a Chartered Global Management Accountant.

Ms. Wenjie WU ("**Ms. Wu**"), aged 49, was appointed as an Independent Non-Executive Director of the Company on 5 February 2024. She also serves as the Chairman of the Remuneration Committee and the member of Audit Committee of the Company.

Ms. Wu is currently an independent non-executive director of Kingsoft Corporation Limited (stock code: 3888) and an independent director of Xunlei Limited (NASDAQ: XNET). Ms. Wu served as an independent director of BlueCity Holdings Ltd. from July 2020 to August 2022. Ms. Wu served as the chief investment officer of New Hope Group from November 2018 to February 2020. Ms. Wu served as managing partner of Baidu Capital from November 2016 to November 2018. Ms. Wu successively served as deputy chief financial officer, chief financial officer and chief strategy officer of Ctrip.com (NASDAQ: CTRP) from December 2011 to November 2016. Ms. Wu was an equity research analyst covering China Internet and Media industries in Morgan Stanley Asia Limited and in Citigroup Global Markets Asia Limited from 2005 to 2011. Prior to that, Ms. Wu worked for China Merchants Holdings (International) Company Limited (stock code: 144) for three years.

Ms. Wu has a Ph.D. degree in Finance from the University of Hong Kong, a master's degree in Finance from the Hong Kong University of Science and Technology, and both a master's degree and a bachelor's degree in Economics from Nan Kai University, China. Ms. Wu has been a Chartered Financial Analyst (CFA) since 2004.

Senior Management

Mr. Rongfeng JIANG is the Chief Executive Officer of the Company. See "Biographies of Directors and Senior Management – Directors" for his biographies.

Dr. ZHANG Xiangyu (Sean) ("**Dr. Zhang**"), aged 44, was appointed as Chief Financial Officer of the Company on 1 January 2023.

Dr. Zhang has more than 10 years of extensive working experience in private equity investment across consumption, enterprise services, TMT, energy and high-end manufacturing sectors. Prior to assuming the role of Chief Financial Officer of the Company, Dr. Zhang has been a managing director at CMBI, where Dr. Zhang was a key contributor to the launch of CMBI private equity funds, M&A funds and bridge funds. He served as investment committee member of multiple funds held under CMBI and investment director of the CMBI Telecom Fund, held under CMBI International Capital Holdings (Shenzhen) Corporation Ltd.

Prior to joining CMBI, Dr. Zhang was a senior member of CITIC Goldstone Investment Ltd., a subsidiary of CITIC Securities Co., Ltd., where he was responsible for deal sourcing, industry research, due diligence and financial analysis.

Dr. Zhang holds Ph.D., master and bachelor degrees in Nuclear Science and Technology from Tsinghua University. He graduated from the MBA program of the Cheung Kong Graduate School of Business.

Dr. Zhang is an officer (as defined under the SFO) of CMBI AM, a Promoter and SFC-licensed corporation, and has been licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities since 2019.

Ms. Di LE is the Chief Operating Officer of the Company. See "Biographies of Directors and Senior Management – Directors" for her biographies.

REPORT OF DIRECTORS

The Board is pleased to present its report together with the audited financial statements of the Company for the year ended 31 December 2023 (the "**Reporting Period**").

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 November 2021 under the Cayman Companies Act. The Company is a special purpose acquisition company formed for the purpose of effecting a de-SPAC transaction. The Class A Shares and Listed Warrants were listed on the Main Board of the Stock Exchange on 18 March 2022.

The Company does not have any subsidiaries. During the Reporting Period, the Company did not engage in any operations and did not generate any revenue.

RESULTS

The results of the Company for the Reporting Period are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 57 of this announcement and report.

DIVIDENDS

As disclosed in the offering circular of the Company dated 14 March 2022 (the "**Offering Circular**"), the Company does not intend to pay cash dividends prior to the completion of a De-SPAC Transaction.

BUSINESS REVIEW AND FUTURE DEVELOPMENT

A review of the business of the Company during the Reporting Period is provided in the section headed "*Management Discussion and Analysis – Business Review*" in this announcement and report. An analysis of the Company's performance during the Reporting Period is provided in the section headed "*Management Discussion and Analysis – Financial Review*" in this announcement and report. An indication of the future development in the Company's business is provided in the section headed "*Management Discussion and Analysis – Outlook*" in this announcement and report. All such discussions form part of this report of directors.

Exposure to Fluctuations in Exchange Rates

During the Reporting Period, the Company did not engage in any operations and therefore, was not exposed to fluctuations in exchange rates and did not enter into any forward exchange contract to hedge foreign exchange risk.

Environmental Policies and Performance

The Board has taken into account the nature of the Company's business, which is focused on the sourcing of de-SPAC targets, and the expectation that the Company would not be engaged in any other significant operations prior to the completion of a de-SPAC transaction, in determining its ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the Company's business).

Details of environmental policies, performance and compliance with laws and regulations are set out in the "Environmental, Social and Governance Report" of this announcement and report.

Compliance with Laws and Regulations

To the knowledge of the Directors, during the Reporting Period, the Company did not commit any material non-compliance of the laws and regulations, or experience any non-compliance incident, which taken as a whole, is likely to have a material adverse effect on the Company's business, financial condition or results of operations.

Key Relationships with Employees

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

USE OF PROCEEDS

In March 2022, the Company issued 100,065,000 Class A shares at an offer price of HK$10.00 per Class A share and 50,032,500 listed warrants and received gross proceeds of HK$1,000,650,000 pursuant to the Offering, which was deposited in the Escrow Account and held in the form of restricted bank deposits. There was no change to the intended use of the gross proceeds of the Offering as disclosed in the Offering Circular. The gross proceeds from the Offering is held in and can only be released from the Escrow Account under the circumstances and timeline as disclosed in the Offering Circular and permitted under the Listing Rules. In March 2022, the Company issued 39,000,000 promoter warrants at a price of HK$1.00 per promoter warrant and received gross proceeds of HK$39,000,000 pursuant to the private placement of promoter warrants to the Promoters, as further described in the Offering Circular.

During the period from the Listing Date to 31 December 2023, approximately HK$16 million of the gross proceeds of the private placement were used to pay underwriting commission to the underwriters of the Offering, approximately HK$15 million were used to pay other Offering-related expenses, and approximately HK$3 million were used to fund the Company's working capital requirements, and the remaining proceeds will be used to fund the Company's working capital requirements.

PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2023, the Company did not possess any property, plant and equipment.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 17 to the financial statements.

DEBENTURES

The Company did not issue any debentures during the Reporting Period.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company during the Reporting Period are set out on page 59 in the Statement of Changes in Equity. As at 31 December 2023, the Company had no distributable reserves. The gross proceeds from the Offering, which can only be released from the Escrow Account under the circumstances and timeline as disclosed in the Offering Circular and permitted under the Listing Rules, are held in the Escrow Account.

BANK LOANS AND OTHER BORROWINGS

As of 31 December 2023, the Company had not recorded any bank and other interest-bearing borrowings.

DIRECTORS

The Directors during the Reporting Period and up to the date of this announcement and report are:

Executive Directors:
Mr. Rongfeng JIANG *(Chairman and Chief Executive Officer)*
Ms. Di LE *(Chief Operating Officer)*

Non-Executive Directors:
Ms. Qian WU
Ms. Xiaoxiao QI

Independent Non-Executive Directors:
Dr. Fangxiong GONG
Mr. Kim Lam NG
Ms. Wenjie WU *(Appointed with effect from 5 February 2024)*
Mr. Lei ZHONG *(Resigned with effect from 5 February 2024)*

As disclosed in the announcement dated 5 February 2024, Mr. Lei ZHONG has resigned from his role as an Independent Non-Executive Director, the chairman of the remuneration committee and a member of the audit committee of the Company with effect from 5 February 2024 due to his intention to devote more time to his other business engagements.

Details of the Directors to be re-elected at the forthcoming annual general meeting will be set out in a circular to be dispatched to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 10 to 13 of this announcement and report.

DIRECTORS' LETTERS OF APPOINTMENT

Each Director has entered into a letter of appointment in relation to his/her role as a director of the Company, which is subject to termination by the Director or the Company in accordance with the terms of the letter of appointment, the requirements of the Listing Rules and the provisions relating to the retirement and rotation of the Directors under the Articles of Association.

Save as disclosed above, as of 31 December 2023, none of the Directors had entered into a service contract with the Company (excluding contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

DIRECTORS' AND PROMOTERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

As disclosed in the De-SPAC Announcement, each of Mr. Rongfeng JIANG, Ms. Di LE and Ms. Qian WU (who are Directors and also Promoters who will be issued Successor Company Class A Shares upon the Aquila B Conversion and Closing under the Business Combination Agreement and are granted the Promoter Earn-out Right under the Promoter Earn-out and Lock-up Agreement) have a material interest in the De-SPAC Transaction entered into by the Company on 31 August 2023. Please refer to the De-SPAC Announcement for further details in respect of the principal terms of the De-SPAC Transaction.

Save as disclosed in this annual results announcement and report and the Offering Circular, none of the Directors or their respective connected entities (as defined in the Listing Rules) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to which the Company was a party subsisting during or at the end of 2023.

During the Reporting Period, save for the De-SPAC Transaction and save as disclosed in this announcement and report and the Offering Circular, no contract of significance had been entered into between the Company and the Promoters or any of their respective subsidiaries.

MANAGEMENT CONTRACTS

Save for the Promoter Earn-out and Lock-up Agreement and the Business Combination Agreement (details of which were disclosed in the De-SPAC Announcement), no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Pursuant to the letters of appointment entered into with the Company, the Executive Directors and Non-Executive Directors are not entitled to any remuneration from the Company and the Independent Non-Executive Directors are each entitled to fees of HK$200,000 per year.

During the Reporting Period, no fees, salaries, housing allowances, other allowances, benefits in kind (including contributions to pension schemes) and bonuses were paid or payable by the Company to the Directors or other individuals, other than the aggregate remuneration and benefits in kind paid to the Independent Non-Executive Directors in the amount of HK$600,000. The Executive Directors and Non-Executive Directors are not entitled to any remuneration from the Company.

During the Reporting Period, none of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Company to any of the Directors or other individuals as an inducement to join, or upon joining the Company, or as compensation for loss of office.

Details of the emoluments of the Directors and the five highest paid individuals during the Reporting Period are set out in note 11 to the financial statements contained in this announcement and report.

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

As at 31 December 2023, none of the Directors or chief executive of the Company had any interest and/or short positions (as applicable) in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2023, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest and/or a short position (as applicable) in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Class A Shares

Name of Substantial Shareholder	Capacity/Nature of Interest	Number of Shares and Underlying Class A Shares Held	Approximate Percentage of Class A Shares *(%)*	Long/ Short Position
China Merchants Bank Co., Limited	Interest in a controlled corporation	19,289,403[(1)-(4)]	19.28	Long
CMB International Capital Holdings Corporation Limited	Interest in a controlled corporation	19,289,403[(1)-(4)]	19.28	Long
CMB International Capital Corporation Limited	Interest in a controlled corporation	19,289,403[(1)-(4)]	19.28	Long
CMB International Asset Management Limited	Interest in a controlled corporation	19,289,403[(1)-(4)]	19.28	Long
CMBI AM Acquisition Holding LLC	Beneficial owner	13,568,636[(2)-(4)]	13.56	Long
UBS Group AG	Interest in a controlled corporation	14,016,607[(5)]	14.01	Long
	Interest in a controlled corporation	1,470,000[(5)]	1.47	Short
UBS AG	Beneficial owner	6,825,000[(5)]	6.82	Long
	Interest in a controlled corporation	1,470,000[(5)]	1.46	Short
UBS O'Connor LLC	Investment manager	5,197,200[(5)]	5.19	Long
UBS AG Australia Branch	Beneficial owner	1,994,107[(5)]	1.99	Long
CMB International Investment Management Limited	Interest in a controlled corporation	5,720,767[(1)]	5.72	Long
CMB International Private Investment Limited	Other	5,720,767[(1)]	5.72	Long
CMBI Private Equity Series B SPC	Beneficial owner	5,453,910[(1)]	5.45	Long

Class B Shares

Name of Substantial Shareholder	Capacity/Nature of Interest	Number of Class B Shares Held	Approximate Percentage of Class B Shares (%)	Long/ Short
China Merchants Bank Co., Limited	Interest in controlled corporation	24,109,411	100%(3)	Long
CMB International Capital Holdings Corporation Limited	Interest in controlled corporation	24,109,411	100%(3)	Long
CMB International Capital Corporation Limited	Interest in controlled corporation	24,109,411	100%(3)	Long
CMB International Asset Management Limited	Interest in controlled corporation	24,109,411	100%(2)	Long
CMBI AM Acquisition Holding LLC	Beneficial owner	24,109,411	100%	Long

Notes:

(1) CMB Global Access SPC and CMBI Private Equity Series B SPC are interested in 266,857 and 5,453,910 Class A shares of the Company, respectively, which include 890,767 Class A shares underlying listed derivatives (convertible instruments). CMB International Asset Management Limited is the investment manager, and CMB International Private Investment Limited is holding the management shares (carrying voting rights), of CMB Global Access SPC and CMBI Private Equity Series B SPC. CMB International Private Investment Limited is wholly owned by CMB International Investment Management Limited, which is wholly owned by CMB International Capital Corporation Limited. Each of CMB International Private Investment Limited, CMB International Investment Management Limited and CMB International Capital Corporation Limited is deemed to be interested in the Class A shares of the Company held by CMB Global Access SPC and CMBI Private Equity Series B SPC.

(2) CMB International Asset Management Limited is deemed to be interested in the promoter warrants and Class B shares of the Company held by CMBI AM Acquisition Holding LLC, its 93.39%-owned subsidiary.

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

(4) Represents interest in the underlying Class A shares of the promoter warrants of the Company. On the basis of a cashless exercise of the promoter warrants and subject to the terms and conditions under the promoter warrant agreement (including the exercise mechanism and anti-dilution adjustments) entered into between the Company, the Promoters, CMBI AM Acquisition Holding LLC and AAC Mgmt Holding Ltd, the promoter warrant may be exercised for a maximum of 13,568,636 Class A shares of the Company in the aggregate.

(5) Based on the information set out in the relevant disclosure made by the relevant substantial shareholder(s), UBS AG, UBS O'Connor LLC and UBS AG Australia Branch are wholly-owned subsidiaries of UBS Group AG. Therefore, UBS Group AG is deemed to be interested in the Class A shares of the Company held by UBS AG, UBS O'Connor LLC and UBS AG Australia Branch, respectively. Among the Class A shares in long position indirectly held by UBS Group AG, 4,257,203 Class A shares in long position represent the Class A shares underlying listed derivatives – convertible instruments.

Save as disclosed above, as at 31 December 2023, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest and/or short position (as applicable) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the issue of Class B Shares and the Promoter Warrants (details of which are disclosed in the Offering Circular), at no time during the Reporting Period was the Company a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

EQUITY-LINKED AGREEMENTS

Save for the issue of Class A Shares pursuant to the Offering, the issue of Class B Shares to the Promoters and the Listed Warrants and the Promoter Warrants, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the Reporting Period or subsisted at the end of 2023.

PLEDGE OF ASSETS

As of 31 December 2023, the Company did not pledge any of its assets.

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

As the Company is a special purpose acquisition company, there were no significant investments held or acquisitions by the Company during the Reporting Period, and the Company has no, and has not conducted any acquisition or disposals of, subsidiaries, associates or joint ventures. Save with regards to effecting the De-SPAC Transaction as disclosed in the Company's De-SPAC Announcement, the Company currently has no future plan for material investments or additions of capital assets.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As of 31 December 2023, the Company did not purchase, sell and redeem any of its listed securities.

CONTINGENT LIABILITIES

As of 31 December 2023, the Company did not have any contingent liabilities.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding the Company's securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Company.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions of the Company for the Reporting Period are set out in note 21 to the financial statements contained in this announcement and report. None of the related party transactions disclosed in note 21 to the financial statements constitutes a connected transaction or continuing connected transaction which should be disclosed pursuant to Chapter 14A of the Listing Rules.

DONATIONS

During the Reporting Period, the Company made no charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director and officer of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company (except for funds held in the Escrow Account) against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, which he or she may incur or sustain in or about the execution of his/her duties in his/her office. The Company has arranged appropriate insurance cover in respect of legal action against its directors and officers.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed "Chairman's Statement" in this announcement and report, the Company did not have any material subsequent event after the Reporting Period and up to the date of this announcement and report.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Company's audited financial statements for the Reporting Period, which have also been reviewed by the Board, and discussed with the management and the auditor of the Company on the audit qualification and the accounting principles and practices adopted by the Company with no disagreement by the Audit Committee.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" on pages 25 to 41 of this announcement and report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the amount of public float as required under the Listing Rules at all times during the Reporting Period and as of the date of this announcement and report.

AUDITOR

BDO Limited was appointed as the auditor during the Reporting Period. The Company has not changed its auditor since the Listing Date. The financial statements of the Company for the Reporting Period have been audited by BDO Limited.

BDO Limited shall retire at the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of BDO Limited as the auditors of the Company will be proposed at the forthcoming annual general meeting.

CORPORATE GOVERNANCE REPORT

The Board of Directors is pleased to report to the shareholders of the Company (the "**Shareholders**") on the corporate governance of the Company for the Reporting Period.

CORPORATE GOVERNANCE CULTURE, STRATEGY AND PRACTICES

The Company is a SPAC formed for the purpose of effecting a De-SPAC Transaction and is actively searching for and evaluating potential De-SPAC Targets. The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards.

Corporate governance is the process by which the Board instructs management of the Company to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

– mitigation of existing and potential conflicts of interest to ensure that decisions are taken having regard to the best interests of the Company and the Shareholders; and

– that overall risk of the Company's business (which, prior to the completion of a De-SPAC Transaction, involved primarily the search for prospective De-SPAC Targets) is understood and managed appropriately.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules on the Stock Exchange as the basis of the Company's corporate governance practices.

In the opinion of the Directors, throughout the Reporting Period, the Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code, with the exception of code provision C.2.1, which requires the roles of chairman and chief executive to be held by different individuals.

The Company has also put in place certain recommended best practices as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a dealing policy regarding dealings in the Company's securities of directors, officers and any employees of the Company who, because of their office or employment in the Company, are likely to be in possession of inside information (the "**Dealing Policy**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Furthermore, pursuant to rule 18B.15 of the Listing Rules, the Company and the Promoters and their respective directors and employees, and each of their close associates, are prohibited from dealing in any of the listed securities of the Company prior to the completion of a De-SPAC Transaction.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Dealing Policy throughout the Reporting Period.

No incident of non-compliance of the Dealing Policy by the senior management was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board currently comprises seven Directors, consisting of two Executive Directors, two Non-Executive Directors and three Independent Non-Executive Directors as follows:

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

Non-Executive Directors
Ms. Qian WU
Ms. Xiaoxiao QI

Independent Non-Executive Directors
Dr. Fangxiong GONG
Mr. Kim Lam NG
Ms. Wenjie WU

Ms. Wenjie WU, who has been appointed as the Independent Non-Executive Director on 5 February 2024, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 5 February 2024, and she has confirmed she understood her obligations as a director of a listed issuer.

The biographical information of the above Directors is set out in the section headed "Biographies of Directors and Senior Management" on pages 10 to 13 of this announcement and report. Save as disclosed therein, there is no relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members.

Directors' Attendance Records

The attendance record of each Director at the Board meetings and the Board Committee meetings of the Company held during the Reporting Period is set out in the table below:

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors					
Mr. Rongfeng JIANG	5/5	N/A	N/A	1/1	1/1
Ms. Di LE	5/5	N/A	N/A	N/A	1/1
Non-Executive Directors					
Ms. Qian WU	5/5	2/2	1/1	N/A	1/1
Ms. Xiaoxiao QI	5/5	N/A	N/A	N/A	1/1
Independent Non-Executive Directors					
Mr. Lei ZHONG[Note 1]	1/5	0/2	0/1	N/A	0/1
Dr. Fangxiong GONG	5/5	N/A	1/1	1/1	1/1
Mr. Kim Lam NG	5/5	2/2	N/A	1/1	1/1
Ms. Wenjie WU[Note 2]	N/A	N/A	N/A	N/A	N/A

Notes:

1. Mr. Lei ZHONG resigned as Independence Non-Executive Director, a chairman of Remuneration Committee and a member of Audit Committee with effect from 5 February 2024. He attended 4 other Board Meetings by appointing representative.

2. Ms. Wenjie WU was appointed as Independence Non-Executive Director, a chairman of Remuneration Committee and a member of Audit Committee with effect from 5 February 2024.

During the Reporting Period, apart from regular Board meetings, the Chairman also held at least one meeting with the Independent Non-Executive Directors without the presence of other Directors.

Board Meetings

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Company's financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including Non-Executive Directors and Independent Non-Executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Independent Non-Executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them (if any).

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Chairman and Chief Executive Officer

Code provision C.2.1 of Part 2 of the CG Code as set out in Appendix C1 to the Listing Rules stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

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

Independent Non-Executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-Executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has reviewed the independence of each of the Independent Non-Executive Directors and received from each of the Independent Non-Executive Directors an annual confirmation in respect of his independence in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-Executive Directors are independent.

Appointment and Re-election of Directors

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at every annual general meeting one-third of the Directors for the time being (or, if their number is not three of a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as an additional Director shall hold office until the first annual general meeting after appointment and shall be eligible for re-election at that meeting.

Pursuant to the Articles of Association, prior to the completion of a de-SPAC transaction, the appointment and re-election of Directors may be passed by ordinary resolutions of Class B Shareholders.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Company organized training sessions conducted by the qualified professionals for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/ seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors during the Reporting Period are summarized as follows:

Directors	**Type of Training**[Note]
Executive Directors	
Mr. Rongfeng JIANG *(Chairman and Chief Executive Officer)*	A/B
Ms. Di LE *(Chief Operating Officer)*	A/B
Non-Executive Directors	
Ms. Qian WU	A/B
Ms. Xiaoxiao QI	A/B
Independent Non-Executive Directors	
Mr. Lei ZHONG *(resigned on 5 February 2024)*	A/B
Dr. Fangxiong GONG	A/B
Mr. Kim Lam NG	A/B

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops
B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

1. The Company has provided training materials to Ms. Wenjie WU, the newly appointed Independent Non-Executive Director with effect from 5 February 2024, related to duties of a director and latest updates and changes in regulatory requirements.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three members, namely Mr. Kim Lam NG (Independent Non-Executive Director), Ms. Qian WU (Non-Executive Director) and Ms. Wenjie WU (Independent Non-Executive Director, replacing Mr. Lei ZHONG on 5 February 2024). Mr. Kim Lam NG is the Chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company. The duties and responsibilities include overseeing the financial reporting and reviewing the financial information of the Company, considering issues relating to the external auditors and their appointment and reviewing the internal controls systems of the Company (including financial, operational, compliance, information technology controls and risk management processes).

During the Reporting Period, the Audit Committee held two meetings to review the annual results announcement and annual report for the year ended 31 December 2022 and the interim results announcement and report for the six months ended 30 June 2023 and significant issues on the financial reporting and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, and relevant scope of works and its own performance, terms of reference, composition.

The Audit Committee also met the external auditor twice without the presence of the Executive Directors.

Remuneration Committee

The Remuneration Committee consists of three members, namely Ms. Wenjie WU (Independent Non-Executive Director, replacing Mr. Lei ZHONG on 5 February 2024), Ms. Qian WU (Non-Executive Director) and Dr. Fangxiong GONG (Independent Non-Executive Director). Ms. Wenjie WU is the Chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy, review and approve the management's remuneration proposals, to determine or to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

During the Reporting Period, the Remuneration Committee held one meeting to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management, and its own performance, terms of reference and composition.

The remuneration of the senior management (excluding Executive Directors), whose biographical details are included in section headed "Biographies of Directors and Senior Management" of this announcement and report, during the Reporting Period falls within the following bands:

Remuneration (HK$)	**Number of Individuals**
HK$1 to HK$500,000	3

Pursuant to the terms of the letter of appointment entered into between each Director (on the one part) and the Company (on the other part), the Executive Directors and Non-Executive Directors are not entitled to any remuneration from the Company.

As a special purpose acquisition company, the Company does not intend to have any full-time employees prior to the completion of the De-SPAC Transaction. Thus, there was no remuneration policy during the Reporting Period and up to the date of this announcement and report. Any remuneration policy to be adopted after completion of the De-SPAC Transaction will be determined by the Board and reviewed by the Remuneration Committee of the Company having taken into account of the business type and size of the De-SPAC Target. In general, the Company expects that the remuneration policy of the Company will provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff, and the Company will determine employee salaries based on each employee's qualification, position and seniority.

Nomination Committee

The Nomination Committee consists of three members, namely Mr. Rongfeng JIANG (Chairman and Chief Executive Officer), Dr. Fangxiong GONG (Independent Non-Executive Director) and Mr. Kim Lam NG (Independent Non-Executive Director). Mr. Rongfeng JIANG is the Chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Nomination Committee are to review structure, size and composition of the Board, formulating and reviewing the policy of diversity of Board members, identifying individuals who are qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorship, assess the independence of the Independent Non-Executive Directors and make recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria/procedures as set out in the corporate governance manual of the Company that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the Independent Non-Executive Directors, the board diversity policy, the time and contribution required from Directors and its own performance, terms of reference and composition. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Board Diversity Policy

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company endorses the principle that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business.

Pursuant to the board diversity policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, geographical location, professional qualifications, skills, knowledge, length of service, regulatory requirements and the legitimate interests of the Company's shareholders.

All Board appointments are made on the merit of the candidates, in the context of the skills, knowledge and experience the Board as a whole requires and taking into account of the various perspectives of Board diversity as described above. Following the Listing, the Board will review the board diversity policy annually to ensure its continued effectiveness.

For the purpose of implementation of the board diversity policy, the Board has set the measurable objective that at least one member of the Board shall be female and shall review such objective from time to time to ensure its appropriateness and ascertain the progress made towards achieving the objective.

As of 31 December 2023, there are four female Board members. The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the above measurable objective.

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the board diversity policy annually to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Company. The following table sets out the gender ratio in the workforce of the Company, including the Board, senior management and advisory board as at the date of this announcement and report:

	Female	**Male**
Board	57%(4)	43%(3)
Senior Management	33%(1)	67%(2)
Advisory Board	0%(0)	100%(3)
Overall workforce	38%(5)	62%(8)

The Board had targeted to achieve and had achieved at least 14.3% (1) of female Directors and considers that the above current gender diversity is satisfactory.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy is as follows:

Where the Board proposes a resolution to elect an individual as an independent non-executive director at a general meeting, it should set out in the circular to shareholders and/or the explanatory statement accompanying the notice of the general meeting:

(a) the process used for identifying the individual and why the Board believes that the individual should be elected and the reasons why it considers the individual to be independent;

(b) if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;

(c) the perspectives, skills, and experience that the individual can bring to the Board; and

(d) how the individual contributes to diversity of the Board.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

Directors should ensure that they can give sufficient time and attention to the affairs of the Company. A prospective director should not accept an appointment if they cannot do so.

Directors should disclose to the Company at the time of their appointments, in a timely manner upon any change thereafter, and at such other times as the Board may require:

(a) the number and nature of his or her offices held in public companies or organisations and other significant commitments;

(b) the identities of the other public companies or organisations; and

(c) an indication of the time commitment required by each such office or commitment.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Board Independence

Taking into consideration the nature of the Company as a special purpose acquisition company, the Board considered the following key features under the Company's Board and governance structure are effective in ensuring that independent views and input are provided to the Board:

– each Board committee comprises of a majority of Independent Non-executive Directors; and

– annual review of Independent Non-executive Directors' independence in accordance with Listing Rule 3.13.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Dealing Policy, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. Such risks would include, amongst others, material risks relating to ESG. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and the management should provide a confirmation to the Board on the effectiveness of these systems.

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The management conducted internal control assessment regularly to identify risks that potentially impact the business of the Company and various aspects including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's financial reporting function, and regulatory compliance. Self-evaluation has been conducted annually to confirm that control policies are properly complied with.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Company does not have an internal audit function to carry out independent reviews of the adequacy and effectiveness of its risk management and internal control systems. The risk management and internal controls are self-assessed by the management and reviewed by the Board on an on-going basis. The Company would appoint independent consultancy firm to conduct a thorough review of risk management and internal control systems of the Company and its subsidiaries on regular intervals basis when necessary.

The Board, as supported by the Audit Committee as well as the management report, conducted review of the risk management and internal control systems, including the financial and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and staff qualifications, experiences and relevant resources.

Whistleblowing Policy

The Company has in place the Whistleblowing Policy for the Directors and senior management and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

Anti-Bribery Policy

The Company has also in place the Anti-Bribery Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for the Directors and senior management to report any suspected corruption and bribery.

Disclosure of Inside Information Policy

The Company has developed its Disclosure of Inside Information Policy which provides a general guide to the Company's Directors and senior management in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Company for the Reporting Period, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this announcement and report.

AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditor of the Company in respect of audit services and non-audit services for the Reporting Period is set out below:

Service Category	**Fees Paid/Payable** *(HK$'000)*
Audit services	350
Non-audit services	
– Agreed-upon procedures engagement on interim financial statements	100
– Agreed-upon procedures engagement on annual result announcement	(included in the annual audit service fees)
– Tax compliance service	15
Total	465

The non-audit services comprised acting as reporting accountants in relation to the offering, review of the Company's interim report and internal control review services rendered by BDO Risk and Advisory Services Limited.

COMPANY SECRETARY

Ms. LAI Siu Kuen ("**Ms. Lai**") has been appointed as the Company's company secretary since 11 March 2022. Ms. Lai is currently a director of corporate services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Ms. Di LE, Chief Operating Officer has been designated as the primary contact person at the Company which would work and communicate with Ms. Lai on the Company's corporate governance and secretarial and administrative matters.

For the Reporting Period, Ms. Lai has undertaken not less than 15 hours of relevant professional training respectively in compliance with rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to the Articles 18.3 to 18.7 of the Articles of Association of the Company, the Directors may call general meetings, and they shall on a Members' requisition forthwith proceed to convene an extraordinary general meeting of the Company. A Members' requisition is a requisition of one or more Members holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, of the issued Shares which as at that date carry the right to vote at general meetings of the Company. The Members' requisition must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists and deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists. If there are no Directors as at the date of the deposit of the Members' requisition or if the Directors do not within 21 days from the date of the deposit of the Members' requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21 day period. A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association or the Cayman Companies Act regarding procedures for Shareholders to put forward proposals at a general meeting. Shareholders who wish to submit a proposal may request the Company to convene a general meeting in accordance with the procedure set out in the preceding paragraph, to consider the matters specified in the request. As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	46/F, Champion Tower, 3 Garden Road, Central, Hong Kong (For the attention of the Board of Directors/Company Secretary)
Telephone:	(852) 3900 0888
Fax:	(852) 3761 8788
Email:	aquila@cmbi.com.hk

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholders Communication Policy

The Company has adopted a shareholders communication policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

The corporate communication of the Company will be published on the Stock Exchange's website (**www.hkex.com.hk**) in a timely manner as required by the Listing Rules.

(b) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (**www.aquilaacq.com.hk**). Other corporate information about the Company's corporate governance will also be available on the Company's website.

(c) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen or deputy chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(d) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong share registrar, Tricor Investor Services Limited, via its online holding enquiry service at www.tricoris.com, or send email to is-enquiries@hk.tricorglobal.com or call its hotline at (852) 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: aquila@cmbi.com.hk or by post to 46/F, Champion Tower, 3 Garden Road, Central, Hong Kong.

The Company has reviewed and is satisfied with the implementation and the effectiveness of its shareholders communication policy during the Reporting Period.

Amendments to Constitutional Documents

During the Reporting Period, the Company has not made any changes to its Amended and Restated Memorandum and Articles of Association. An up-to-date version of the Company's Amended and Restated Memorandum and Articles of Association is also available on the Company's website and the Stock Exchange's website.

Dividend Policy

The Company has adopted a Dividend Policy. The Company does not have any pre-determined dividend payout ratio, and does not intend to pay any cash dividends prior to the completion of a de-SPAC transaction. The payment of cash dividends in the future will be made at the discretion of the Board at such time and in compliance with applicable laws, rules and regulations, and will be based on the profits, cash flows, financial condition, capital requirements and other conditions that the Board deems relevant of the successor company subsequent to the completion of a de-SPAC transaction. Further, if the Company incurs any indebtedness, its ability to declare dividends may be limited by restrictive covenants it may agree to in connection therewith.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS ESG REPORT

The Company is a special purpose acquisition company incorporated on 25 November 2021 and has been formed for the purpose of effecting a de-SPAC transaction with one or more de-SPAC targets. This is the Environmental, Social and Governance Report (the "**ESG Report**") issued by the Company during the Reporting Period. Unless otherwise defined herein, capitalised terms used in this ESG Report have the same meanings as those defined in the De-SPAC Announcement.

Reporting Principles

This ESG Report has been prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Listing Rules on the Stock Exchange. In considering the selection of material ESG factors and quantitative disclosures, the Company has taken into account the nature of its business, which is focused on searching for prospective de-SPAC targets, effecting a business combination with one or more businesses and (for the majority of the Reporting Period) executing a de-SPAC transaction. A Stock Exchange ESG Reporting Guide index is set out in the annex to this ESG Report for reference.

Reporting Boundary

The scope of this ESG Report covers the environmental and social policies and performance of the Company during the Reporting Period. The Company does not have any subsidiaries. During the Reporting Period, the Company did not have any operations save for activities related to the search for prospective de-SPAC targets and the De-SPAC Transaction.

Approval

This ESG Report has been approved by the Board in March 2024.

GOVERNANCE

The Board has overall responsibility for the Company's ESG strategy and reporting.

The Board is responsible for evaluating and determining the Company's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Company's management is required to provide a confirmation to the Board on the effectiveness of these systems. In addition, the duties and responsibilities of the Company's Audit Committee include reviewing the internal controls systems of the Company (including financial, operational, compliance, information technology controls and risk management processes).

In determining the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses), the Board has taken into account the nature of its business, which is focused on searching for prospective de-SPAC targets, effecting a business combination with one or more businesses and (for the majority of the Reporting Period) executing a de-SPAC transaction, and the expectation that it would not be engaged in any other significant operations prior to the completion of a de-SPAC transaction.

ENVIRONMENT

The Company is a special purpose acquisition company and has been formed for the purpose of effecting a de-SPAC transaction with one or more de-SPAC targets. During the Reporting Period, the Company did not have any operations (save for activities related to the search for prospective de-SPAC targets and the De-SPAC Transaction) and therefore had a low impact on the environment. Nevertheless, the Company is committed to upholding ESG values, as is exemplified by our general guidelines in evaluating prospective de-SPAC targets as disclosed in the Offering Circular. One of the general guidelines we believe is important in evaluating prospective de-SPAC targets is a traceable financial track record with an ethical, professional and responsible management holding strong ESG values – we intend to combine with a de-SPAC target that has high ESG standards, supported by a management team with the right experience, expertise and vision, and who share our motivation to create long-term value for the Shareholders. As disclosed in the De-SPAC Announcement, the Target Company's management is ethical, professional, and responsible and strives to maintain good compliance with laws and regulations in the Target Group's business operations. The Target Group's commitment to ESG principles is deeply embedded in its business operations and the services that it offers. Please refer to "D. Reasons for, and Benefits of, the De-SPAC Transaction" of the De-SPAC Announcement for further details in respect of the strong ESG values of the Target Company.

Emission and Waste Management, Use of Resources, the Environment and Natural Resources, Climate Change

As the Company had no substantial operating history during the Reporting Period, the emissions and waste generated and the use of resources were limited. The relevant data is therefore not disclosed in this ESG Report. Similarly, the Company has not identified any significant climate-related issues which have impacted or may (prior to the completion of a de-SPAC transaction) impact the Company, and currently expects to adopt appropriate policies for identifying and mitigating significant climate-related issues following the De-SPAC Transaction which are appropriate for the nature of the business of the Target Company.

Taking into consideration the nature of the Company's operations which is focused on searching for prospective de-SPAC targets, effecting a business combination with one or more businesses and (for the majority of the Reporting Period) executing the De-SPAC Transaction, the Company does not expect to carry out any operations which will have a significant impact on emissions and waste management, use of resources, the environment and natural resources and climate change prior to the completion of a de-SPAC transaction. The Company is nevertheless committed to fulfilling its corporate responsibilities in environmental protection, and has formulated the following policies on energy conservation, reducing adverse effects on the environment, and using resources in a responsible manner to protect the environment which it considers relevant to its current operations:

- Implement double-sided printing, reuse single-sided printing paper, and place waste paper recycling bins next to photocopiers and printers for recycling;

- Use computer technology and communication equipment to share information or for internal communication and document circulation, reducing paper printing; and

- Use video conference calls to avoid unnecessary travel arrangements and thereby reduce energy consumption, emissions and impact on climate change.

SOCIAL

Employees

The Company has no employees. The Company's Executive Directors and senior management are employees of CMB International Capital Corporation Limited, being the parent company of CMB International Asset Management Limited, one of our Promoters. The Company will comply with all relevant laws and regulations and the following policies to ensure the implementation and protection of employees' rights and interests:

- **Preventing illegal employment:** We forbid any form of unlawful employment. We do not hire child labor. We will carefully check the employees' identities upon onboarding to ensure our procedure is compliant and that employees' rights and interests are well-protected.

- **Anti-discrimination:** We adopt and enforce a zero-tolerance policy against discrimination and harassment of any kind. We strive to create a workplace where every individual feels safe, heard and accepted without judgment, regardless of age, gender, ethnicity, nationality, marital and family status, health status, religion, or any other distinguishing characteristic or trait.

- **Board diversity:** In order to achieve a diversity of perspectives among members of the Board, it is the policy of the Company to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. The Board considers gender, age, cultural and educational background, ethnicity, geographical location, professional experience, skills, knowledge, length of service, regulatory requirements and the legitimate interests of the Company's Shareholders. To ensure there is gender diversity on the Board, the Board has set a target that there must be at least one female Director on the Board at all times. In this regard, the Board comprises seven Directors, including four female Directors, who bring to the Board a diverse range of skills, knowledge and experience.

Health and Safety

In view of the business nature of the Company, the occupational health and safety risks our Board and senior management face are much lower than those of employees of other listed issuers on the Stock Exchange with substantive operations. Nevertheless, we strictly observe relevant applicable laws and regulations on occupational health and safety, give priority to providing a safe, healthy and comfortable working environment, and carry out office safety management measures to minimise office safety risks, improve safety awareness and prevent occupational diseases or accidents in the office. During the Reporting Period, the Company complied with relevant laws and regulations on occupational health and safety, and did not find any major accidents, major claims or lawsuits related to health and safety.

Development and Training

Although the Company will not be engaged in any significant operations prior to the completion of a de-SPAC transaction, it recognises the importance of continuous professional development of the Directors and senior management and arranges training session for the Directors and senior management to help them develop knowledge and skills relevant to their duties to the Company as a company listed on the Stock Exchange.

Anti-corruption

The Company takes all necessary measures to prevent bribery and corruption. We are committed to developing robust systems and measures to prevent, detect, and deter corruption, bribery, or other fraudulent activities while promoting integrity. Our anti-corruption policy provides that the Company shall comply with applicable anti-corruption and anti-money laundering laws, and no employee is allowed to conduct direct or indirect commercial bribery. The policy prohibits the offering of benefits to third parties, business partners and government officials for improper business opportunities and advantages, and prohibits employees from accepting or demanding benefits from others in business activities for the purpose of securing any improper advantage.

We also have a whistleblowing policy for employees to raise concerns about practices and procedures in their workplace. It enables employees to report concerns of fraud, illegal, immoral, illegitimate practices, misconduct or malpractice in a way that will not be seen as being disloyal to their colleagues.

There is no non-compliance with relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering and no concluded legal cases regarding corrupt practices brought against the Company or its employees during the Reporting Period.

Community Investment

The Company is fully aware that corporate development is closely linked to the development of the communities. We are committed to understanding the needs of the communities and fulfilling our social responsibilities actively.

During the Reporting Period, the Company had not engaged in community investment activities. The Company expects to develop policies on community engagement focus areas of community contribution following a de-SPAC transaction which are appropriate for the nature of the business of the de-SPAC target and the community in which the de-SPAC target operates.

STAKEHOLDER ENGAGEMENT

Taking into consideration the nature of the Company's business, the Company considers its main stakeholders prior to the completion of a de-SPAC transaction to be the Company's Shareholders and potential investors. As part of its stakeholder engagement, the Company has adopted a shareholders communication policy which aims at maintaining on-going dialogue with its Shareholders and the investment community and ensuring effective and timely dissemination of information.

ANNEX TO THE ESG REPORT – STOCK EXCHANGE ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Notes
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	"ENVIRONMENT – Emission and Waste Management, Use of Resources, the Environment and Natural Resources, Climate Change" As the Company had no substantial operations during the Reporting Period, the Company is not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Company concerning air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the such period.
KPI A1.1	The types of emissions and respective emissions data.	The indicators are not applicable as the Company did not have any substantial operations during the Reporting Period.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Notes
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	"ENVIRONMENT – Emission and Waste Management, Use of Resources, the Environment and Natural Resources, Climate Change"
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	The indicators are not applicable as the Company did not have any substantial operations during the Reporting Period.
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	"ENVIRONMENT – Emission and Waste Management, Use of Resources, the Environment and Natural Resources, Climate Change" As the Company did not have any substantial operations during the Report Period, it was not involved in any activities which have a significant impact on the environment and natural resources.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	"ENVIRONMENT – Emission and Waste Management, Use of Resources, the Environment and Natural Resources, Climate Change"
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Notes
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	"SOCIAL – Employees" The Company is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Company concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the Reporting Period.
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	The indicators are not applicable as the Company has no employees. The Company's Executive Directors and senior management are currently employees of CMB International Capital Corporation Limited and their details are set out in the Offering Circular or in the announcement of the Company dated 2 January 2023.
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	"SOCIAL – Health and Safety" The Company is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Company relating to providing a safe working environment and protecting employees from occupational hazards during the Reporting Period.

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Notes
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	The indicators are not applicable as the Company did not have any substantial operations during the Reporting Period.
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	"SOCIAL – Health and Safety"
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	"SOCIAL – Development and Training"
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	"SOCIAL – Development and Training"
KPI B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	As the Company did not have any substantial operations during the Reporting Period and had no employees (and, prior to the completion of a de-SPAC transaction, expects to continue to have a limited number of employees), it considers this aspect to be irrelevant to its current operations.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	As the Company did not have any substantial operations during the Reporting Period, and does not expect to have significant operations involving suppliers prior to the completion of a de-SPAC transaction, the Company considers this aspect to be irrelevant to its current operations.
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Notes
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	As the Company did not have any substantial operations during the Reporting Period, and does not expect to have significant operations involving the provision of products and services prior to the completion of a de-SPAC transaction, the Company considers this aspect to be irrelevant to its current operations. The Company is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Company concerning health and safety, advertising, labelling and privacy matters relating to products and services provided during the Reporting Period.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.	"SOCIAL – Anti-corruption" The Company is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Company concerning bribery, extortion, fraud, and money laundering during the Reporting Period.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	"SOCIAL – Anti-corruption"
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	"SOCIAL – Anti-corruption"
KPI B7.3	Description of anti-corruption training provided to directors and staff.	"SOCIAL – Anti-corruption"

Subject Areas, Aspects, General Disclosures and KPIs		Reference/Notes
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	"SOCIAL – Community Investment"
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	"SOCIAL – Community Investment"
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	"SOCIAL – Community Investment"

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AQUILA ACQUISITION CORPORATION

(incorporated in Cayman Islands with limited liability)

Opinion

We have audited the financial statements of Aquila Acquisition Corporation (the "**Company**") set out on pages 57 to 83, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standard Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2(d) in the financial statements, which indicates that as at 31 December 2023, the Company had net current liabilities of HK$985,305,000. The Company incurred loss of HK$44,541,000 and is dependence upon the continued support of its promoters and/or upon the completion of the De-SPAC transaction (the "**De-SPAC Transaction**") or on the approval of an extension of the permitted timeframe should the De-SPAC Transaction not be completed by 15 months after the end of the reporting period.

These conditions, along with other matters set forth in note 2(d), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Measurement of Class A Shares, Listed Warrants and share-based payments transaction

Refer to notes 16 and 18 to the financial statements and the accounting policies on notes 3(b) and 3(c).

The Class A shares (the "**Class A Shares**") are recorded as financial liabilities and measured at fair value less transaction costs on initial recognition and subsequently measured at amortised cost. With the view that the Company has an obligation to redeem the Class A Shares upon certain events and not all events are within the control of the Company (e.g. change in the Promotors), management has exercised judgement to measure the Class A Shares at the present value of the amount that the Company might have to pay if the Class A Shares were redeemed.

The listed warrants (the "**Listed Warrants**") are classified as derivative financial liabilities and measured at the quoted market price with changes in fair value of warrant liabilities of HK$901,000 being credited to the statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

The Company accounted for the promoter warrants (the "**Promoter Warrants**"), together with the conversion right (the "**Conversion Right**") in the Class B shares (the "**Class B Shares**"), as equity-settled share-based payments.

Management exercised judgement and determined that the fair value of the Conversion Right in the Class B Shares and Promoter Warrants are measured at the grant date, with the completion of a De-SPAC Transaction identified as the non-market performance condition. Management estimates the fair value of the Conversion Right in Class B Shares based on certain assumptions including the share price development of Class A Shares. The fair value of the Promoter Warrants was determined using Monte Carlo simulation model. The equity-settled share-based payments expenses of HK$86,609,000 were recognised for the year ended 31 December 2023.

We identified the measurement of Class A Shares, Listed Warrants and share-based payments transaction as a key audit matter due to the significant judgment and assumptions made by management.

Our procedures in relation to the measurement of Class A Shares, Listed Warrants and share-based payments transaction included:

– Assessing the appropriateness of the Company's accounting policies in line with IFRS Accounting Standards;

– Recalculating the change in fair value of warrant liabilities and share-based payments expenses recorded in the statements of profit or loss and other comprehensive income; and

– Assessing the adequacy and appropriateness of the disclosures made in the financial statements related to the measurement of Class A Shares, Listed Warrants and share-based payments transaction.

Other Information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Company's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats and safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited
Certified Public Accountants
Amy Yau Shuk Yuen
Practising Certificate no. P06095

Hong Kong, 28 March 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	**2023** **HK$'000**	2022 HK$'000
Revenue	7	**-**	-
Other income and loss	7	**45,017**	9,356
Change in fair value of warrant liabilities	16	**901**	(5,904)
Amortisation of transaction cost on redeemable Class A Shares	16	**-**	(62,177)
Listing expenses		**-**	(4,012)
Administrative expenses		**(90,459)**	(71,474)
Loss before income tax expense	8	**(44,541)**	(134,211)
Income tax expense	9	**–**	–
Loss and total comprehensive loss for the year		**(44,541)**	(134,211)
Loss per share	12		
– Basic and diluted (HK$)		**(1.85)**	(4.54)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**2023**	2022
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Restricted bank deposits	*14*	**1,000,650**	1,000,650
CURRENT ASSETS			
Other receivable		**30**	30
Cash and cash equivalents		**56,859**	16,607
		56,889	16,637
CURRENT LIABILITIES			
Accruals and other payable	*15*	**36,541**	37,456
Redeemable Class A Shares	*16*	**1,000,650**	1,000,650
Warrant liabilities	*16*	**5,003**	5,904
		1,042,194	1,044,010
NET CURRENT LIABILITIES		**(985,305)**	(1,027,373)
NET ASSETS/(LIABILITIES)		**15,345**	(26,723)
EQUITY			
Share capital	*17*	**6**	6
Reserves		**15,339**	(26,729)
TOTAL EQUITY/(DEFICITS)		**15,345**	(26,723)

The financial statements on pages 57 to 83 were approved and authorised for issue by the Board of Directors on 28 March 2024 and are signed on its behalf by:

Rongfeng JIANG	Di LE
DIRECTOR	DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

		Reserves		
	Share capital	**Share option reserve**	**Accumulated losses**	**Total (deficits)/equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2022	–*	–	(94)	(94)
Loss and total comprehensive loss for the year	–	–	(134,211)	(134,211)
Issue of new shares during the year *(note 17)*	6	–	–	6
Share-based payments *(note 18)*	–	107,576	–	107,576
At 31 December 2022 and 1 January 2023	6	107,576	(134,305)	(26,723)
Loss and total comprehensive loss for the year	–	–	(44,541)	(44,541)
Share-based payments *(note 18)*	–	86,609	–	86,609
At 31 December 2023	**6**	**194,185**	**(178,846)**	**15,345**

* Less than HK$1,000

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023	2022
	HK$'000	*HK$'000*
OPERATING ACTIVITIES		
Loss before income tax	**(44,541)**	(134,211)
Adjustments for:		
Listing expenses	**–**	1,057
Bank interest income	**(45,065)**	(9,416)
Change in fair value of financial liabilities at FVTPL	**(901)**	5,904
Share-based payments expenses	**86,609**	68,576
Foreign exchange loss	**48**	60
Operating loss charge before movements in working capital	**(3,850)**	(68,030)
Increase in other receivable	**–**	(30)
(Decrease)/increase in accruals and other payable	**(963)**	37,302
Cash used in operating activities	**(4,813)**	(30,758)
Income tax paid	**–**	–
Net cash used in operating activities	**(4,813)**	(30,758)
INVESTING ACTIVITY		
Interest received	**45,065**	9,416
Net cash generated from investing activity	**45,065**	9,416
FINANCING ACTIVITIES		
Proceeds from issue of shares	**–**	6
Proceeds from issue of promoter warrants	**–**	39,000
Transaction costs related to the issuance of shares and promoter warrants	**–**	(1,057)
Net cash generated from financing activities	**–**	37,949

	2023	2022
	HK$'000	*HK$'000*
Net increase in cash and cash equivalents	**40,252**	16,607
Cash and cash equivalents at the beginning of year	**16,607**	–
Cash and cash equivalents at the end of year	**56,859**	16,607
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**56,859**	16,607

Major non-cash Transactions

The gross proceeds from the issuance of 100,065,000 Class A Shares at HK$10 per share are directly received through and placed in the escrow account (the "**Escrow Account**") and included in "restricted bank deposit" at 31 December 2023 and 2022.

1. GENERAL INFORMATION AND BUSINESS OPERATION

Aquila Acquisition Corporation (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 25 November 2021. The Company is a special purpose acquisition company ("**SPAC**") and at an early stage, as such, the Company is subject to all of the risks associated with early-stage companies. The Company is incorporated for the purpose of an acquisition of, or a business combination with, a De-SPAC transaction target (the "**De-SPAC Target**") by the Company that results in the listing of a successor company (the "**De-SPAC Transaction**").

On 31 August 2023, the Company announced that it has entered into an agreement for a De-SPAC Transaction. The successor company has submitted a new listing application to the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 31 August 2023 for the listing of, and permission to deal in, the successor company shares and successor company listed warrants in accordance with the requirements for new listing applicants as set out in Chapter 9 of the Listing Rules (the "**New Listing Application**").

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

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

The promoters of the Company (the "**Joint Promoters**") were CMB International Asset Management Limited, Mr. Rongfeng JIANG, Ms. Di LE and Ms. Qian WU as at 31 December 2023.

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

The Company has 100,065,000 Class A shares (the "**Class A Shares**") and 50,032,500 listed warrants (the "**Listed Warrants**") issued and outstanding at 31 December 2023, which are listed on the Main Board of the Stock Exchange since 18 March 2022 (the "**Listing**"). The Company also has 24,109,411 Class B shares (the "**Class B Shares**") and 37,586,250 promoter warrants (the "**Promoter Warrants**") issued and outstanding at 31 December 2023 that are not listed on the Stock Exchange.

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

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

The Listed Warrants will expire on the date immediately preceding the fifth anniversary of the date of the completion of the De-SPAC Transaction or earlier upon redemption or liquidation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION AND PRESENTATION

(a) Basis of preparation and statement of compliance

The financial statements for the year 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (the "**IFRS Accounting Standards**") and International Accounting Standards (the "**IASs**") issued by International Accounting Standards Board (the "**IASB**").

For the purpose of preparation of the Financial Statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the financial statements include applicable disclosures required by the Listing Rules on the Stock Exchange and by the Hong Kong Companies Ordinance.

It should also be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

(b) Application of new or amendments to IFRS Accounting Standards – effective on 1 January 2023

The following new or amended IFRS Accounting Standards are mandatory for the first time for the financial year beginning 1 January 2023 and the impacts of the adoption are disclosed below.

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The amendments to IAS 1 and IFRS Practice Statement 2 aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. These amendments have no effect on the measurement or presentation of any items in the financial statements of the Company but affect the disclosure of accounting policies of the Company. The Company has revisited the accounting policy disclosures in the financial statements and removed certain immaterial accounting policy disclosures.

The following new or amended IFRS Accounting Standards are mandatory for the first time for the financial year beginning 1 January 2023, but have no material effect on the Company's reported results and financial position for the current and prior accounting periods.

IFRS 17 and amendments to IFRS 17	Insurance Contracts and related amendments
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

(c) New or revised IFRS Accounting Standards that have been issued but not yet effective

The following new or revised IFRS Accounting Standards, potentially relevant to the Company's financial statements, have been issued, but are not yet effective and have not been early adopted by the Company. The Company's current intention is to apply these changes on the date they become effective.

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after a date to be determined.

The Directors of the Company do not anticipate that the applications of the amendments and revision in the future will have significant impacts on the financial statements.

(d) Going concern basis

As at 31 December 2023, the Company had net current liabilities of HK$985,305,000. The Company incurred loss of HK$44,541,000. The Company's ability to continue as a going concern is dependence upon the continued support of its Joint Promoters and/or upon the completion of the De-SPAC Transaction or on the approval of an extension of the permitted timeframe should the De-SPAC Transaction not be completed by 15 months after the end of the reporting period. There can also be no assurance that we will be successful in completing the De-SPAC Transaction. In the event a De-SPAC Transaction does not occur, the Class A Shareholders will be entitled to redeem their Class A Shares for a pro rata portion of the amount then in the Escrow Account of an amount not less than HK$10.00 per Class A Shares, plus any pro rata interest then in the Escrow Account, net of taxes payable. The Joint Promoters will have no rights to liquidating distribution from Escrow Account with respect to their Class B Shares in all circumstances.

These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may unable to discharge its liabilities in the normal course of business. Nevertheless, the financial statements are prepared on the basis that the Company will continue as a going concern. These financial statements do not include any adjustments that would have to be made to provide for any further liabilities which might arise and to reclassify non-current assets as current assets should the Company be unable to continue as a going concern. If the Company is not able to continue as a going concern, the Company may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. These differences may be material.

(e) Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with all applicable IFRS Accounting Standards.

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Further details of which are given in note 16.

(b) Financial instruments

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

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

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

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

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

After initial recognition, the deferred gain or loss will be released to the Statement of Profit or Loss until the instrument's fair value can be determined using market observable inputs or realised through settlement, further details of which are given in note 16.

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

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

Financial assets

Classification and subsequent measurement of financial assets

The Company classifies its financial assets as:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value (at either fair value through other comprehensive income ("**FVTOCI**") or FVTPL).

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

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

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

Expected credit losses on financial assets at amortised cost

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at amortised cost

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

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

Financial liabilities at FVTPL

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

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

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

Derecognition of financial liabilities

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

(c) Share-based payments

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

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

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

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

The fair value of the Conversion Right of the Class B Shares and the Promoter Warrants are measured at the Listing Date, without taking to consideration of all non-market vesting condition. The total estimated fair value of the equity-settled share-based payments is spread over the vesting period based on the Company's estimate of equity instruments that will eventually vest. The Company identified the completion of a De-SPAC Transaction as the vesting condition, further details of which are given in note 18.

(d) Share capital

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

4. OTHER ACCOUNTING POLICIES

(a) Foreign currencies

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

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

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

(b) Provisions and contingent liabilities

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

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

(c) Interest income

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

(d) Cash and cash equivalents

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

(e) Related parties

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

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

(ii) has significant influence over the Company; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(a) Classification of the instruments issued by the Company

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

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

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

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

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

(b) Fair value measurement

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

(c) Going concern assumption

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

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

6. SEGMENT INFORMATION

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

7. REVENUE AND OTHER INCOME AND LOSS

(a) Revenue

The Company did not generate any revenue for the year ended 31 December 2023 (2022: Nil).

(b) Other income and loss

	2023	2022
	HK$'000	*HK$'000*
Bank interest income	**45,065**	9,416
Exchange loss, net	**(48)**	(60)
	45,017	9,356

8. LOSS BEFORE INCOME TAX EXPENSE

	2023	2022
	HK$'000	*HK$'000*
Loss for the year is arrived at after charging:		
Auditor's remuneration		
– Audit and audit related work	**350**	150
– Non-audit work	**115**	700
	465	850
Staff cost		
– Share-based payments expenses *(note 18)*	**86,609**	68,576
– Directors' remuneration *(note 10)*	**600**	510
	87,209	69,086

9. INCOME TAX EXPENSE

No income tax has been recognised as the Company is not currently subject to income tax in the Cayman Islands and in opinion of the directors, the Company has no assessable profits in any other jurisdictions.

10. DIRECTORS' EMOLUMENTS (INCLUDING CHIEF EXECUTIVE)

Directors' and chief executives' remuneration for the years ended 31 December 2023 and 2022, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinances is as follows:

For the year ended 31 December 2023

	Fees	**Pension costs-defined contribution plans**	**Retirement benefits scheme**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Executive directors				
Mr. Rongfeng JIANG (Chairman & Chief executive)	**–**	**–**	**–**	**–**
Ms. Di LE	**–**	**–**	**–**	**–**
Non-executive directors				
Ms. Qian WU	**–**	**–**	**–**	**–**
Ms. Xiaoxiao QI	**–**	**–**	**–**	**–**
Independent non-executive directors				
Mr. Lei ZHONG *(note(a))*	**200**	**–**	**–**	**200**
Dr. Fangxiong GONG	**200**	**–**	**–**	**200**
Mr. Kim Lam NG	**200**	**–**	**–**	**200**
	600	**–**	**–**	**600**

For the year ended 31 December 2022

	Fees	Pension costs-defined contribution plans	Retirement benefits scheme	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Mr. Rongfeng JIANG (Chairman & Chief executive)	–	–	–	–
Ms. Di LE	–	–	–	–
Mr. Yao LING *(note(b))*	–	–	–	–
Non-executive directors				
Ms. Qian WU	–	–	–	–
Ms. Xiaoxiao QI	–	–	–	–
Independent non-executive directors				
Mr. Lei ZHONG	170	-	-	170
Dr. Fangxiong GONG	170	–	–	170
Mr. Kim Lam NG	170	–	–	170
	510	–	–	510

Notes:

(a) Mr. Lei ZHONG resigned as an independent non-executive director with effect from 5 February 2024.

(b) Mr. Yao LING resigned as an executive director with effect from 31 December 2022.

(c) No directors received any emoluments from the Company as an inducement to join or upon joining the Company or as compensation for loss of office during the reporting periods. No directors waived any emoluments for the years ended 31 December 2023 and 2022.

(d) None of the directors received or receive any retirement benefits or termination benefits during the reporting periods.

(e) The Company did not pay consideration to any third parties for making available directors' services during the reporting periods.

(f) As at 31 December 2023 and 2022, there are no loans, quasi-loans and other dealings arrangement in favour of directors, controlled bodies corporate by and controlled entities with such directors.

11. FIVE HIGHEST PAID INDIVIDUALS

The Company has no employees. Of the five individuals with the highest emoluments in the Company, 3 (2022: 3) were directors, whose emoluments are included in note 10. Other directors are not entitled to any emoluments.

12. LOSS PER SHARE

The basic loss per share was calculated by dividing the loss for the year ended 31 December 2023 of approximately HK$44,541,000 (2022: HK$134,211,000), by the weighted average number of 24,109,411 (2022: 29,587,346) Class B Shares outstanding during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended 31 December 2023 and 2022, the redeemable Class A Shares, Listed Warrants and Promoter Warrants outstanding were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share is the same as the basic loss per share for both years.

13. DIVIDEND

No dividend was paid or proposed for the year 31 December 2023 (2022: Nil), nor any dividend has been proposed since the end of the reporting periods.

14. RESTRICTED BANK DEPOSITS

Restricted bank deposits consist of the gross proceeds of HK$1,000,650,000 from the Listing which are deposited in a ring-fenced Escrow Account domiciled in Hong Kong. The proceeds held in the Escrow Account are held in the form of cash or cash equivalents. Except for certain condition as mentioned in note 1, the proceeds from the Listing will not be released from the Escrow Account. The completion of the De-SPAC Transaction within the next 12 months is uncertain and therefore the proceeds deposited on the Escrow Account have been classified as non-current assets.

15. ACCRUALS AND OTHER PAYABLE

Accruals and other payable mainly comprise of deferred underwriting commission of approximately HK$35,023,000 (2022:HK$35,023,000), which would be payable upon completion of the De-SPAC Transaction.

16. FINANCIAL LIABILITIES

The Company issued 100,065,000 Class A Shares together with 50,032,500 Listed Warrants for an aggregate price of HK$10 per share on 17 March 2022.

(a) Redeemable Class A Shares

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

	2023	2022
	HK$'000	*HK$'000*
Proceeds from the issuance of redeemable Class A Shares	**1,000,650**	1,000,650
Less: Transaction costs attributable to the issuance of redeemable Class A Shares*	**–**	(62,177)
Net amounts at initial recognition of redeemable Class A Shares	**–**	938,473
Amortisation of transaction costs on redeemable Class A Shares	**–**	62,177
Balances at 31 December	**1,000,650**	1,000,650

* Total listing expenses (including underwriting commissions payable upon completion of the offering (the "**Offering**") and deferred underwriting commissions payable upon completion of a De-SPAC Transaction) were approximately HK$66,189,000, of which (i) HK$4,012,000 was attributable to the issuance of Listed Warrants and Promoter Warrants and was charged to the statement of profit or loss, and (ii) the remaining amount of HK$62,177,000 was attributable to the issuance of Class A Shares.

(b) Warrant liabilities

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

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

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

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

As at 31 December 2023, the fair value of Listed Warrants was approximately HK$5,003,000 (2022: HK$5,904,000) which is determined based on its quoted market price, resulting in the recognition of fair value gain of HK$901,000 (2022: fair value loss of HK$5,904,000 as shown in the statement of profit or loss and other comprehensive income consists of the recognition of the deferred day-one loss of HK$73,072,000 and the fair value gain of HK$67,168,000 during the year ended 31 December 2022).

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

	Level 1 ***HK$'000***	**Level 3** ***HK$'000***	**Deferred day-one loss** ***HK$'000***
Fair value at the issue date	**-**	**73,072**	**(73,072)**
Transfer out of Level 3# and recognition of loss in profit or loss	**73,072**	**(73,072)**	**73,072**
Change in fair value	**(67,168)**	**–**	**–**
As at 31 December 2022	**5,904**	**–**	**–**
Change in fair value	**(901)**	**–**	**–**
As at 31 December 2023	**5,003**	**–**	**–**

Transfer between Level 1 and Level 3

Upon the Listing, quoted prices in active markets are available for the warrant liabilities. Therefore, warrant liabilities were transferred from a Level 3 measurement to Level 1 fair value measurement at the year ended 31 December 2022.

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

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

Key inputs	**Ranged between**
Expected De-SPAC date	December 2022 – December 2023
Expected term	5 years
Exercise price	HK$11.5
Redemption trigger price	HK$18.00
Fair market value cap	HK$18.00
Expected volatility	20.94% – 23.39%
Risk-free rate	1.88% – 1.95%
Dividend yield	0%
De-SPAC probability	5% – 95%

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

17. SHARE CAPITAL

(a) Share capital

	Number of shares	Nominal amount HK$'000
Authorised:		
Class A Shares *(note 16a)*		
As at 31 December 2022, 1 January 2023 and 31 December 2023 (HK$0.0001 each)	**1,000,000,000**	**100,000**
Class B Shares		
As at 31 December 2022, 1 January 2023 and 31 December 2023 (HK$0.0001 each)	**100,000,000**	**10,000**
Class B Share Issued and fully paid:		
Issue of share upon incorporation *(note (i))*	**1**	**–***
Surrender of shares *(note (ii))*	**(1)**	**(-)***
Issue of new shares during the year *(note (iii))*	**60,000,000**	**6**
Surrender of shares *(note (iv) and (v))*	**(34,983,750)**	**–**
As at the Listing date	**25,016,250**	**6**
Surrender of shares *(note (vi))*	**(906,839)**	**–**
As at 31 December 2022, 1 January 2023 and 31 December 2023	**24,109,411**	**6**

* Less than HK$1,000

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

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

Notes:

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

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

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

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

(v) On 11 March 2022, 34,983,750 Class B Shares at par value of HK$0.0001 was surrendered by a shareholder; and

(vi) On 31 December 2022, 906,839 Class B Shares at par value of HK$0.0001 was surrendered by a shareholder.

(b) Capital management

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

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

18. SHARE-BASED PAYMENTS

Upon the completion of the Listing, the Company has issued 25,016,250 of Class B Shares and 39,000,000 of Promoter Warrants at the aggregated subscription price of HK$6,000 and HK$39,000,000 respectively. The Conversion Right in the Class B Shares and Promoter Warrants are classified as share-based payments as disclosed in note 3(c). At the end of each reporting period, the Company revises its estimates of number of Conversion Right in the Class B Shares and Promoter Warrants that are expected to ultimately vest.

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

Valuation of share-based payments

Equity-settled share-based payments expenses from the Conversion Right in the Class B Shares and Promoter Warrants of approximately HK$80,362,000 (2022: HK$63,630,000) and HK$6,247,000 (2022: HK$4,946,000) respectively were recognised during the year.

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

(a) Conversion right of Class B Shares

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

	Number of Conversion right in Class B Shares	
	2023	2022
Outstanding at the beginning of the year	**24,109,411**	–
Granted as at the Listing date	**–**	25,016,250
Surrendered during the year	**–**	(906,839)
Outstanding at the end of the year	**24,109,411**	24,109,411

The fair value of the Conversion Right of Class B Shares was estimated to be HK$10.0 each, which was determined based on the unit issue price of the Class A Share at HK$10.0 each. The valuation has taken into consideration that Class B Shares are convertible into Class A Shares on a one-for-one basis at or following the completion of the De-SPAC Transaction.

(b) Promoter Warrants

Movements of the number of Promoter Warrants outstanding during the year and their weighted average exercises prices are as follows:

	Weighted average exercise price *HK$*	Number of Promoter Warrants
Outstanding at 1 January 2022	N/A	–
Granted as at the Listing date	11.5	39,000,000
Surrendered	11.5	(1,413,750)
Outstanding at 31 December 2022, 1 January 2023 and 31 December 2023	**11.5**	**37,586,250**
Exercisable at 31 December 2022 and 2023	**N/A**	**–**

The Promoter Warrants outstanding at 31 December 2023 had an exercise price of HK$11.5 (2022: HKS11.5) and a weighted average remaining contractual life of 1.21 (2022: 2.21) years.

The fair value was estimated as HK$1.536 per Promoter Warrant based on Monte Carlo simulation mode. Under the valuation model, multiple scenarios were used to arrive a probability-weighted value per Promoter Warrant. The key inputs into the valuation model were as follows:

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

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

19. FINANCIAL INSTRUMENTS

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include restricted bank deposit, other receivable, cash and cash equivalents, accruals and other payable and redeemable Class A Shares.

Due to their short term nature or redemption features, the carrying value of cash and cash equivalents, other receivable, accruals and other payable, and redeemable Class A Shares approximates fair value.

The carrying amount of the restricted bank deposit approximate its fair values as the interest rate will adjust periodically and is close to market interest rate.

(b) Financial instruments measured at fair value

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

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

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

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

	As at 31 December 2023		
	Level 1	**Level 2**	**Level 3**
	HK$'000	***HK$'000***	***HK$'000***
Financial liabilities at FVTPL – Warrant liabilities	**5,003**	**-**	**-**

	As at 31 December 2022		
	Level 1	Level 2	Level 3
	HK$'000	*HK$'000*	*HK$'000*
Financial liabilities at FVTPL – Warrant liabilities	5,904	-	-

Details of warrant liabilities are disclosed in note 16(b).

20. FINANCIAL RISK MANAGEMENT

The Company is exposed to credit risk, liquidity risk, interest rate risk and market price risk arising in the normal course of its business and financial instruments. The Company's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The directors of the Company consider that cash and cash equivalents and restricted bank deposit are placed with reputable banks which management believes is of high credit quality with insignificant credit risk.

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

(b) Liquidity risk

The policy of the Company is to monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to identify the suitable De-SPAC Target and satisfy the capital requirements prior to the completion of the De-SPAC Transaction.

The following table details the remaining contractual maturities at the end of the reporting period of the non-derivative financial liabilities of the Company, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of reporting period) and the earliest date the company can be required to pay.

	Repayable within 1 year or on demand *HK$'000*	**Total contractual undiscounted cash flows** *HK$'000*	**Carrying amounts** *HK$'000*
At 31 December 2023			
Financial liabilities at amortised cost			
Accruals and other payable	**36,541**	**36,541**	**36,541**
Redeemable Class A Shares	**1,000,650**	**1,000,650**	**1,000,650**

	Repayable within 1 year or on demand *HK$'000*	Total contractual undiscounted cash flows *HK$'000*	Carrying amounts *HK$'000*
At 31 December 2022			
Financial liabilities at amortised cost			
Accruals and other payable	37,456	37,456	37,456
Redeemable Class A Shares	1,000,650	1,000,650	1,000,650

(c) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Company does not have any interest-bearing financial liabilities and is not exposed to interest rate risk.

(d) Market risk

Market price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

The Company is exposed to this risk through the Listed Warrants issued by the Company as disclosed in note 16(b).

21. RELATED PARTY TRANSACTIONS

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

		2023	2022
	Notes	***HK$'000***	*HK$'000*
Share-based payments for Class B Shares	*18*	**80,362**	63,630
Share-based payments for Promoter Warrants	*18*	**6,247**	4,946
		86,609	68,576
Key management compensation			
Remuneration payable to independent non-executive directors	*10*	**600**	510

22. SUBSEQUENT EVENTS

The Company does not have any material subsequent event after the end of the period.

FINANCIAL SUMMARY

RESULTS

	For the period from 25 November 2021 (date of incorporation) to 31 December 2021 HK$'000	For the year ended 31 December 2022 HK$'000	**For the year ended 31 December 2023 HK$'000**
Revenue	–	–	**–**
Other income and loss	–	9,356	**45,017**
Change in fair value of warrant liabilities	–	(5,904)	**901**
Amortisation of transaction cost on redeemable Class A Shares	–	(62,177)	**–**
Listing expenses	–	(4,012)	**–**
Administrative expenses	(94)	(71,474)	**(90,459)**
Loss before income tax expense	(94)	(134,211)	**(44,541)**
Income tax expense	–	–	**–**
Loss and total comprehensive loss for the year/period	(94)	(134,211)	**(44,541)**
Loss per share			
– Basic and diluted (HK$)	(93,653.63)	(4.54)	**(1.85)**

ASSETS AND LIABILITIES

	As at 31 December 2021 HK$'000	As at 31 December 2022 HK$'000	**As at 31 December 2023 HK$'000**
NON-CURRENT ASSETS			
Restricted bank deposits	–	1,000,650	**1,000,650**
	–	1,000,650	**1,000,650**
CURRENT ASSETS			
Amount due from a promoter	–*	–	**–**
Other receivable	–	30	**30**
Cash and cash equivalents	–	16,607	**56,859**
	–	16,637	**56,889**
CURRENT LIABILITIES			
Accruals and other payable	94	37,456	**36,541**
Redeemable Class A Shares	–	1,000,650	**1,000,650**
Warrant liabilities	–	5,904	**5,003**
	94	1,044,010	**1,042,194**
NET CURRENT LIABILITIES	(94)	(1,027,373)	**(985,305)**
NET ASSETS/(LIABILITIES)	(94)	(26,723)	**15,345**
EQUITY			
Share capital	–*	6	**6**
Reserves	(94)	(26,729)	**15,339**
TOTAL EQUITY/(DEFICITS)	(94)	(26,723)	**15,345**

* Less than HK$1,000