

INTERRA ACQUISITION CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 7801)

(Warrant Code: 4801)

2024

INTERIM REPORT



Contents

Definitions	2
Corporate Information	5
Management Discussion and Analysis	7
Corporate Governance and Other Information	12
Independent Review Report	19
Statement of Profit or Loss and Other Comprehensive Income	21
Statement of Financial Position	22
Statement of Changes in Equity	23
Condensed Cash Flow Statement	24
Notes to the Unaudited Interim Financial Report	25

DEFINITIONS

In this report, unless the context otherwise requires, the following terms have the following meanings:

“ABC”	Agricultural Bank of China Limited
“ABCI”	ABC International Holdings Limited
“ABCI AM”	ABCI Asset Management Limited, a company incorporated in Hong Kong on January 3, 2011, a corporation licenced to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined under the SFO and a Promoter of the Company
“ABCI AM Acquisition”	ABCI AM Acquisition Limited, a company incorporated in the British Virgin Islands on July 25, 2017, a wholly owned subsidiary of ABCI AM
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chief Executive Officer”	chief executive officer of the Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Class A Share(s)”	Class A ordinary share(s) in the share capital of the Company with a par value of HK\$0.0001 each and, after the De-SPAC Transaction, the Class A ordinary shares of the Successor Company or such other ordinary shares of the Successor Company that the Class A Shares of the Company convert into or are exchanged for
“Class B Share(s)”	Class B ordinary share(s) in the share capital of the Company with a par value of HK\$0.0001 each
“Company”	Interra Acquisition Corporation, an exempted company incorporated under the laws of the Cayman Islands with limited liability on January 11, 2022
“De-SPAC Target”	the target of a De-SPAC Transaction
“De-SPAC Transaction”	an acquisition of, or a business combination with, a De-SPAC Target by the Company that results in the listing of a Successor Company

Definitions (Continued)

“Director(s)”	the director(s) of the Company
“Escrow Account”	the ring-fenced escrow account located in Hong Kong with the Escrow Agent acting as the escrow agent of such account
“Escrow Agent”	BOCI-Prudential Trustee Limited, acting as the escrow agent of the Escrow Account
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“KPMG”	KPMG, Certified Public Accountants, the Company’s independent auditor
“Listed Warrant(s)”	the warrant(s) to be issued to Professional Investors of the Class A Shares
“Listing”	the listing of the Class A Shares and the Listed Warrants on the Main Board of the Stock Exchange
“Listing Date”	September 16, 2022, the date on which the Class A Shares and the Listed Warrants were listed and dealings in the Class A Shares and the Listed Warrants first commenced on the Main Board of the Stock Exchange
“Listing Document”	the listing document of the Company dated September 9, 2022
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Loan Facility”	the HK\$20.0 million unsecured loan facility in relation to the loan agreement dated September 7, 2022 entered into by the Company, Primavera LLC and ABCI AM Acquisition
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Offer Securities”	the Class A Shares and the Listed Warrants offered pursuant to the Offering

Definitions (Continued)

“Offering”	the offer of the Offer Securities by the Company to Professional Investors as described in the Listing Document
“Primavera LLC”	Primavera Capital Acquisition (Asia) LLC, a limited liability company incorporated in the Cayman Islands on December 29, 2021, which is wholly owned by Primavera US LLC
“Primavera US LLC”	Primavera Capital Acquisition LLC, a limited liability company incorporated in the Cayman Islands on August 3, 2020 and a Promoter of the Company
“Professional Investors”	has the meaning given to it in section 1 of Part 1 of Schedule 1 to the SFO
“Promoter Warrant(s)”	the warrant(s) issued to Primavera LLC and ABCI AM Acquisition at the issue price of HK\$1.00 per Promoter Warrant simultaneously with the closing of the Offering
“Promoters”	Primavera US LLC and ABCI AM
“Reporting Period”	the six months ended June 30, 2024
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	Class A Shares and Class B Shares
“SPAC”	special purpose acquisition company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Successor Company”	the listed issuer resulting from the completion of a De-SPAC Transaction
“%”	per cent

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. CHEN Tong (陳桐)
(Co-Chairman and Co-Chief Executive Officer)
Mr. YANG Xiuke (楊秀科)
(Co-Chairman and Co-Chief Executive Officer)
Ms. MING Liang (明亮)
Mr. GE Chengyuan (葛程遠)

Independent Non-executive Directors

Ms. CHAN Ching Chu
(alias Rebecca Chan) (陳清珠)
Ms. CHAN Jeanette Kim Yum (陳劍音)
Mr. PU Yonghao (浦永灝)

Audit Committee

Ms. CHAN Ching Chu
(alias Rebecca Chan) (陳清珠) *(Chairlady)*
Ms. CHAN Jeanette Kim Yum (陳劍音)
Mr. PU Yonghao (浦永灝)

Remuneration Committee

Ms. CHAN Jeanette Kim Yum (陳劍音) *(Chairlady)*
Ms. CHAN Ching Chu
(alias Rebecca Chan) (陳清珠)
Mr. PU Yonghao (浦永灝)

Nomination Committee

Mr. CHEN Tong (陳桐) *(Co-chairman)*
Mr. YANG Xiuke (楊秀科) *(Co-chairman)*
Ms. CHAN Jeanette Kim Yum (陳劍音)
Ms. CHAN Ching Chu
(alias Rebecca Chan) (陳清珠)
Mr. PU Yonghao (浦永灝)

Promoters

Primavera Capital Acquisition LLC
ABCI Asset Management Limited

Company Secretary

Mr. LEE Leong Yin (李亮賢) (ACG, HKACG)

Authorized Representatives

Mr. YANG Xiuke (楊秀科)
Mr. LEE Leong Yin (李亮賢)

Auditor

KPMG
Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Principal Bank

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

Legal Advisor

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Hong Kong

Compliance Advisor

Somerley Capital Limited
20th Floor, China Building
29 Queen's Road Central
Hong Kong

Registered Office

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

Corporate Information (Continued)

Principal Place of Business in Hong Kong

5/F, Manulife Place
348 Kwun Tong Road
Kowloon, Hong Kong

Principal Share Registrar and Transfer Office

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

Hong Kong Share Registrar

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

Escrow Agent of the Escrow Account

BOCI-Prudential Trustee Limited
Suites 1501–1507, 1513–1516, 15/F
1111 King's Road
Taikoo Shing
Hong Kong

Website

www.interraacquisition.com

Stock Code

7801

Warrant Code

4801

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Company is a SPAC formed for the purpose of effecting the De-SPAC Transaction. In identifying the De-SPAC Target, the Company intends to invest in high-growth companies focused on Greater China in the sectors of innovative technology, consumer and new retail, advanced manufacturing, healthcare and climate action.

The Company completed an Offering on the Listing Date. The Offering comprised 100,100,000 Class A Shares at an offer price of HK\$10.00 per Class A Share and 40,040,000 Listed Warrants. Simultaneously with the Offering, the Promoters subscribed for 35,600,000 Promoter Warrants at a price of HK\$1.00 per Promoter Warrant. The Promoter Warrants are not listed on the Stock Exchange. The Company received gross proceeds of HK\$1,001.0 million from the Offering, which was deposited in the Escrow Account and held in the form of restricted bank balances.

During the Reporting Period, the Company had not selected any specific De-SPAC Target, or entered into any binding agreement with respect to a potential De-SPAC Transaction. Prior to the completion of the De-SPAC Transaction, the Company will not engage in any operations other than in connection with the selection, structuring and completion of the De-SPAC Transaction.

BUSINESS REVIEW

During the Reporting Period, the Company did not engage in any operations and did not generate any trading revenue. The Company's only activities during the Reporting Period were organisational activities related to its incorporation, the Offering, and since the closing of the Offering, the search for a prospective De-SPAC Target.

As of the date of this report, there have been no material events affecting the Company or its listed securities since June 30, 2024.

FINANCIAL REVIEW

Interest revenue

The Company did not generate any trading revenue during the Reporting Period. The Company recognized an interest revenue of approximately HK\$25.5 million during the Reporting Period (2023: HK\$21.5 million), which primarily consisted of interest on the gross proceeds of the Offering held in the Escrow Account.

Equity-settled share-based payment expenses

During the Reporting Period, the Company incurred equity-settled share-based payment expenses of approximately HK\$54.8 million (2023: HK\$45.7 million) as a result of the Class B Shares which contain a conversion feature (the "**Conversion Right**") and the Promoter Warrants. The Company accounted for the Conversion Right in the Class B Shares and the Promoter Warrants granted on the Listing Date as equity-settled share-based payment, with the completion of the De-SPAC Transaction as the vesting condition for accounting purposes. The total estimated fair value of the equity-settled share-based payment is spread over the vesting period, taking into account the probability that the related awards would vest.

Management Discussion and Analysis (Continued)

Other operating expenses

During the Reporting Period, the other operating expenses of the Company increased to approximately HK\$4.5 million from approximately HK\$2.1 million for same period in 2023 as a result of an increase in legal and professional fees incurred by the Company for the services of legal advisers, compliance advisers, valuation services, accounting services and printer services.

Loss from operations

As a result of the foregoing, the loss from operations of the Company increased to approximately HK\$34.3 million during the Reporting Period from approximately HK\$26.6 million for the same period in 2023.

Fair value change of deferred underwriting commissions payable

During the Reporting Period, the Company recognized a fair value change of deferred underwriting commissions payable of approximately loss of HK\$0.6 million (2023: gain of HK\$0.4 million) as a result of the fair value change of the deferred underwriting commissions payable pursuant to the terms of the underwriting agreement relating to the Offering.

Changes in the carrying amount of the redemption liabilities arising from the Class A Shares

During the Reporting Period, the Company recognized changes in the carrying amount of the redemption liabilities arising from the Class A Shares of approximately HK\$25.3 million (2023: nil) as a result of accrued interest incurred by the Escrow Account.

Fair value change of Listed Warrants

During the Reporting Period, the Company recognized a fair value change of Listed Warrants of approximately loss of HK\$1.1 million (2023: loss of HK\$0.5 million) as a result of the change in fair value of warrants, which are derivative liabilities that are measured at fair value through profit or loss and increase mainly due to change in fair value.

Loss and total comprehensive income for the period

As a result of the foregoing, the loss and total comprehensive income of the Company increased to approximately HK\$60.8 million during the Reporting Period from approximately HK\$27.1 million for the same period in 2023.

Other information

During the Reporting Period, there was no change in the accounting policy of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

The Company received gross proceeds of HK\$1,001.0 million from the Offering, which was deposited into the Escrow Account in Hong Kong. The funds held in the Escrow Account may be released only to complete the De-SPAC Transaction, satisfy redemption requests of the Shareholders, and return funds to holders of the Class A Shares upon the suspension of trading of the Class A Shares and the Listed Warrants or upon the liquidation or winding up of the Company.

The Company has been monitoring its expenses on an ongoing basis and endeavors to keep the costs within the Company's primary sources of liquidity other than the funds deposited in the Escrow Account, including the proceeds from the sale of Class B Shares and the Promoter Warrants and the Loan Facility of HK\$20 million, as set out in "Borrowings and gearing ratio" below. The Company believes that it is well-positioned to manage operating expenses when conducting negotiations and performing due diligence review on potential De-SPAC Targets.

Prior to the completion of the De-SPAC Transaction, the primary sources of liquidity to satisfy the Company's capital requirements include proceeds from the issuance of the Class B Shares and the Promoter Warrants and the Loan Facility. With the amount of liquid assets on hand which are held outside the Escrow Account, the Company is of the view that it has sufficient financial resources to meet its ongoing capital requirements prior to the completion of the De-SPAC Transaction. Due to the Company's business nature, there is no ageing analysis of accounts receivable and accounts payable.

As of June 30, 2024, the Company had total assets of approximately HK\$1,074.6 million (as of December 31, 2023: HK\$1,050.9 million), which primarily consisted of (i) cash and cash equivalents of approximately HK\$0.6 million (as of December 31, 2023: HK\$2.1 million). The decrease in cash and cash equivalents was mainly due to net cash used in operating activities of approximately HK\$1.4 million; (ii) interest receivables of approximately HK\$40.1 million (as of December 31, 2023: HK\$14.6 million). The increase in interest receivables was mainly due to an increase in interest receivables from the Escrow Account. Interest revenue from the Escrow Account is recognised using the effective interest method, and the effective interest rate is applied to the gross carrying amount of the restricted bank balances; (iii) prepayments of approximately HK\$0.2 million (as of December 31, 2023: HK\$0.5 million) and (iv) restricted bank balances of HK\$1,033.7 million (as of December 31, 2023: HK\$1,033.7 million).

As of June 30, 2024, the Company had total liabilities of approximately HK\$1,202.2 million (as of December 31, 2023: HK\$1,172.4 million), which primarily consisted of (i) other payables and accruals of approximately HK\$4.6 million (as of December 31, 2023: HK\$1.9 million), which mainly consisted of accrued other operating expenses. The increase in other payables and accruals was mainly due to increased accrued legal and professional fees; (ii) deferred underwriting commissions payable of approximately HK\$21.6 million (as of December 31, 2023: HK\$20.9 million); (iii) redemption liabilities arising from the Class A Shares of HK\$1,072.6 million (as of December 31, 2023: HK\$1,047.3 million); and (iv) Listed Warrants of approximately HK\$103.5 million (as of December 31, 2023: HK\$102.3 million).

As a result of the foregoing, the net liabilities of the Company increased to approximately HK\$127.6 million as of June 30, 2024 from HK\$121.6 million as of December 31, 2023.

Management Discussion and Analysis (Continued)

Borrowings and gearing ratio

The Company (as borrower) and Primavera Capital Acquisition (Asia) LLC and ABCI AM Acquisition Limited (as lenders) entered into a facility agreement on September 7, 2022 in relation to an unsecured Loan Facility for an aggregate of HK\$20 million. As of June 30, 2024, no amount has been drawn down under the Loan Facility.

As the Company did not have any borrowings as of June 30, 2024, the net gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of the respective period divided by total equity as at the same date) was not applicable to the Company as of June 30, 2024.

Foreign exchange exposure

As of June 30, 2024, the Company's cash and cash equivalents was mainly denominated in Hong Kong dollars. As such, the Company did not have significant foreign currency exposure during the Reporting Period. The Company currently does not have a foreign currency hedging policy, however, the Company manages foreign exchange risk by performing regular reviews of net foreign exchange exposures to eliminate the foreign exchange exposures, where necessary.

OUTLOOK AND PROSPECTS

The Company is one of the handful of publicly listed SPACs in Hong Kong. The Company will have 24 months from the Listing Date to make an announcement of the terms of a De-SPAC Transaction and 36 months from the Listing Date to complete the De-SPAC Transaction, subject to any extension period approved by the Shareholders in accordance with the Listing Rules and the memorandum and articles of association of the Company. In the forthcoming months, the Company will use its best endeavors to source a De-SPAC Target with strong and sustainable growth prospects and recommend it for approval by the Shareholders and the Stock Exchange. As of the date of the interim financial report, the Company has not made an announcement of the terms of a potential De-SPAC Transaction. Under the Listing Rules, the Company will have until September 16, 2024, or the expiry of 24 months from the Listing Date, to make such announcement, subject to any extension period approved by the Shareholders and the Stock Exchange. The Company will apply for the extension on or before September 16, 2024 if necessary.

The Company will conduct a thorough due diligence review for the introduced potential De-SPAC Target. If the Company decides to further pursue a particular De-SPAC Target subsequent to the due diligence review, further negotiations will be conducted to structure the terms of the De-SPAC Transaction. It is expected that substantial costs will be incurred in evaluating a potential De-SPAC Target and in negotiating and executing a De-SPAC Transaction. The Company will continue to incur expenses as a publicly listed company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses related to prospective De-SPAC Transactions. The Company intends to consummate the De-SPAC Transaction using (i) proceeds of the Offering; (ii) proceeds from the issuance of the Class B Shares and the Promoter Warrants; (iii) proceeds from independent third party investments; (iv) funds from any backstop agreements it may enter into; (v) loans from the Promoters or their affiliates, if any, under the Loan Facility or other arrangements; (vi) shares issued to the owners of the De-SPAC Target; and (vii) any other equity or debt financing, or a combination of the foregoing.

Significant investments, material acquisitions and disposal of subsidiaries, associates and joint ventures

The Company had no significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Employee and remuneration policy

As of June 30, 2024, the Company had no full-time employees and no staff cost has been recognized as expenses of the Company during the Reporting Period. The executive Directors are not entitled to any remuneration from the Company. The remuneration package of the independent non-executive Directors as well as other corporate executives and employees of the Company (if any) are benchmarked against the remuneration for similar positions in the market. The Company has not adopted any share schemes under Chapter 17 of the Listing Rules since its incorporation.

As a SPAC, the Company does not intend to have any full-time employees prior to the completion of the De-SPAC Transaction. Thus, the Company has not adopted a remuneration policy since its incorporation. 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. 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 qualifications, position and seniority. Training programs will be provided to employees to accelerate the learning progress and improve the knowledge and skill levels of our employees where necessary.

Capital expenditure and commitments

The Company did not incur any capital expenditure and commitments during the Reporting Period (2023: nil).

Contingent liabilities

As of June 30, 2024, the Company did not have any contingent liabilities (2023: nil).

Charges on assets

As of June 30, 2024, there were no charges on assets of the Company (2023: nil).

Future plans for material investments and capital assets

The Company will continue to focus on its business strategies as set out in the Listing Document. Save as disclosed in this report, as of June 30, 2024, the Company had no other future plans for any material investments or capital assets.

Pledging of Shares by controlling Shareholders and loan agreement relating to controlling Shareholders

As of June 30, 2024, the Company had no controlling Shareholder and therefore (i) there was no pledge of Shares to secure the Company's debts or to secure guarantees or other support of its obligations, and (ii) there was no loan agreement with covenants relating to specific performance of a controlling Shareholder.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

The Company did not have any material subsequent events after the Reporting Period and up to the date of this report.

DIVIDENDS

As disclosed in the Listing Document, the Company does not intend to pay cash dividends prior to the completion of a De-SPAC Transaction. Hence, no interim dividend was proposed by the Board for the Reporting Period (2023: nil).

REVIEW OF INTERIM RESULTS

The Board has established the Audit Committee with written terms of reference in compliance with the CG Code.

The Audit Committee currently consists of three members, namely Ms. CHAN Ching Chu (*alias Rebecca Chan*), Ms. CHAN Jeanette Kim Yum and Mr. PU Yonghao, each of whom is an independent non-executive Director. The chairlady of the Audit Committee is Ms. CHAN Ching Chu (*alias Rebecca Chan*). The Company's interim results for the Reporting Period have not been audited by the Company's independent auditor, KPMG, Certified Public Accountants, but this report, the interim results for the Reporting Period and the accounting principles and policies adopted by the Company have been reviewed by the Audit Committee.

KPMG has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the HKICPA. KPMG's unmodified review report is included in the interim report of the Company for the Reporting Period.

Compliance with the Corporate Governance Code

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board has complied with all applicable code provisions in the CG Code during the Reporting Period, with the exception of code provision C.2.1 of the CG Code, which requires the roles of chairman and chief executive to be held by different individuals. Mr. CHEN Tong and Mr. YANG Xiuke were each appointed as the co-chairman of the Board, executive Director and co-chief executive officer of the Company. The Board believes that, in view of their experience, personal profile and their respective roles in the Promoters, Mr. CHEN Tong and Mr. YANG Xiuke are the Directors best suited to identify strategic opportunities and the focus of the Board. Given the minimal level of business operations of the Company before the successful completion of the De-SPAC Transaction, the Board believes that the combined role of co-chairman of the Board and co-chief executive officer of the Company can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Directors consider that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and three independent non-executive Directors.

Compliance with Model Code

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of their office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the Reporting Period.

Corporate Governance and Other Information (Continued)

Purchase, sale or redemption of listed securities of the Company

During the Reporting Period, the Company did not purchase, sell or redeem any of its listed securities, including sales of treasury share (as defined in the Listing Rules). As at the end of the Reporting Period, the Company did not hold any treasury shares.

Use of proceeds

(a) Use of proceeds from the Offering

The Company received gross proceeds of HK\$1,001.0 million from the Offering. All of the gross proceeds from the Offering are held in the Escrow Account pursuant to Rule 18B.16 of the Listing Rules and are held in the form of restricted bank balances in compliance with the Listing Rules and guidance letters which may be published by the Stock Exchange from time to time. There has been no change in the intended use of gross proceeds as previously disclosed in the Listing Document. For the avoidance of doubt, the proceeds from the Offering held in the Escrow Account do not include the proceeds from the sale of Class B Shares and the Promoter Warrants.

(b) Use of other proceeds

The Company received gross proceeds from the sale of the Promoter Warrants of HK\$35.6 million. The gross proceeds from the sale of the Promoter Warrants are held outside of the Escrow Account. The proceeds held outside of the Escrow Account were used, and are proposed to be used, according to the intentions previously disclosed in the Listing Document.

The following table sets forth the status of use of gross proceeds held outside of the Escrow Account as of June 30, 2024:

	% of gross proceeds held outside of the Escrow Account	Allocation disclosed in the Listing Document	Proceeds unutilized as of December 31, 2023	Proceeds utilized during the Reporting Period	Proceeds utilized as of June 30, 2024	Proceeds unutilized as of June 30, 2024
Expenses related to the Offering	78.65%	HK\$28.0 million	HK\$0.7 million	–	HK\$27.3 million	HK\$0.7 million
General working capital	21.35%	HK\$7.6 million	HK\$1.4 million	HK\$1.4 million	HK\$7.6 million	–
Total	100%	HK\$35.6 million	HK\$2.1 million	HK\$1.4 million	HK\$34.9 million	HK\$0.7 million

Notes:

1. For expenses in relation to a De-SPAC Transaction, including legal, accounting, due diligence, travel and other expenses associated with the identification and evaluation of a prospective De-SPAC Target, the total amount of which the Company is currently unable to estimate.
2. The Company expects that the remaining unutilized proceeds held outside of the Escrow Account shall be utilized gradually at the time of the completion of the De-SPAC Transaction (i.e. within 36 months of the Listing Date (or within the extended time limits under the Listing Rules, if applicable)).

Continuing disclosure obligation pursuant to the Listing Rules

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Directors' and chief executives' interests and short positions in Shares and underlying Shares and debentures of the Company or any of its associated corporations

Save as disclosed in this report and to the best knowledge of the Directors, as at the end of the Reporting Period, none of the Directors or the chief executives of the Company had any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of 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 are taken or deemed to have had 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, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial shareholders' interests and short positions in Shares and underlying Shares

As far as the Directors are aware, as at the end of the Reporting Period, the following persons (other than the Directors or chief executives of the Company) had an interest or a short position in the Shares and the underlying Shares 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 (including interests and short positions which they are taken or deemed to have had under such provisions of the SFO) or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholder	Capacity/nature of interest	Number of Shares held or interested in ⁽¹⁾	Approximate percentage of the relevant class of Shares ⁽¹⁾	Approximate percentage of total issued Shares ⁽¹⁾
Class A Shares				
CITIC Group Corporation ⁽²⁾	Interest in controlled corporation	17,749,644 Class A Shares (L)	17.73%	14.19%
Lo Yuk Sui ⁽³⁾	Interest in controlled corporation	17,094,000 Class A Shares (L)	17.08%	13.66%
Industrial and Commercial Bank of China Limited ⁽⁴⁾	Interest in controlled corporation	10,890,000 Class A Shares (L)	10.88%	8.70%
TF International Securities Group Limited ⁽⁵⁾	Beneficial interest	9,350,000 Class A Shares (L)	9.34%	7.47%
Yue Xiu Investment Fund Series Segregated Portfolio Company—Yue Xiu Quantitative Growth SP ⁽⁶⁾	Beneficial interest	7,700,000 Class A Shares (L)	7.69%	6.15%
Primavera LLC ⁽⁷⁾⁽⁹⁾	Beneficial interest	7,710,960 Class A Shares (L)	7.70%	6.16%

Corporate Governance and Other Information (Continued)

Name of Shareholder	Capacity/nature of interest	Number of Shares held or interested in ⁽¹⁾	Approximate percentage of the relevant class of Shares ⁽¹⁾	Approximate percentage of total issued Shares ⁽¹⁾
Primavera US LLC ⁽⁷⁾⁽⁹⁾	Interest in controlled corporation	7,710,960 Class A Shares (L)	7.70%	6.16%
Dr. Fred Hu ⁽⁷⁾⁽⁹⁾	Interest in controlled corporation	7,710,960 Class A Shares (L)	7.70%	6.16%
ABCI AM Acquisition ⁽⁸⁾⁽⁹⁾	Beneficial interest	5,140,640 Class A Shares (L)	5.14%	4.11%
ABCI AM ⁽⁸⁾⁽⁹⁾	Interest in controlled corporation	5,140,640 Class A Shares (L)	5.14%	4.11%
ABCI ⁽⁸⁾⁽⁹⁾	Interest in controlled corporation	5,140,640 Class A Shares (L)	5.14%	4.11%
ABC ⁽⁸⁾⁽⁹⁾	Interest in controlled corporation	5,140,640 Class A Shares (L)	5.14%	4.11%
Central Huijin Investment Ltd. ⁽⁴⁾⁽⁸⁾⁽⁹⁾	Interest in controlled corporation	17,603,156 Class A Shares (L)	17.59%	14.07%
Class B Shares				
Primavera LLC ⁽⁷⁾	Beneficial interest	15,015,000 Class B Shares (L)	60%	12%
Primavera US LLC ⁽⁷⁾	Interest in controlled corporation	15,015,000 Class B Shares (L)	60%	12%
Dr. Fred Hu ⁽⁷⁾	Interest in controlled corporation	15,015,000 Class B Shares (L)	60%	12%
ABCI AM Acquisition ⁽⁸⁾	Beneficial interest	10,010,000 Class B Shares (L)	40%	8%
ABCI AM ⁽⁸⁾	Interest in controlled corporation	10,010,000 Class B Shares (L)	40%	8%
ABCI ⁽⁸⁾	Interest in controlled corporation	10,010,000 Class B Shares (L)	40%	8%
ABC ⁽⁸⁾	Interest in controlled corporation	10,010,000 Class B Shares (L)	40%	8%
Central Huijin Investment Ltd. ⁽⁷⁾	Interest in controlled corporation	10,010,000 Class B Shares (L)	40%	8%

Corporate Governance and Other Information (Continued)

Notes:

- (1) As at the end of the Reporting Period, the Company has issued a total number of 125,125,000 Shares, including 100,100,000 Class A Shares and 25,025,000 Class B Shares. The letter "L" denotes the person's long position in the Shares.
- (2) Based on the information set out in the relevant disclosure made by the relevant substantial shareholder(s), such Class A Shares are held through certain controlled corporations of CITIC Group Corporation. CITIC Group Corporation also held 2,239,644 Class A Shares in long position representing Class A Shares underlying listed derivatives — cash settled.
- (3) Based on the information set out in the relevant disclosure made by the relevant substantial shareholder(s), such Class A Shares are held through certain controlled corporations of Lo Yuk Sui. Among the Class A Shares in long position indirectly held by Lo Yuk Sui, 4,884,000 Class A Shares in long position represent Class A Shares underlying listed derivatives — convertible instruments.
- (4) Based on the information set out in the relevant disclosure made by the relevant substantial shareholder(s), Murray Enterprise Limited is wholly-owned by ICBC International Investment Management Limited, which is in turn wholly-owned by ICBC International Holdings Limited. ICBC International Holdings Limited is wholly-owned by Industrial and Commercial Bank of China Limited, which is in turn owned as to 34.71% by Central Huijin Investment Ltd., a state owned enterprise. Therefore, each of Central Huijin Investment Ltd. and Industrial and Commercial Bank of China Limited is deemed to be interested in the 10,890,000 Class A Shares and 4,356,000 Listed Warrants held by Murray Enterprise Limited.
- (5) Based on the information set out in the relevant disclosure made by TF International Securities Group Limited, TF International Securities Group Limited held 9,350,000 Class A Shares and 3,740,000 Listed Warrants.
- (6) Based on the information set out in the relevant disclosure made by Yue Xiu Investment Fund Series Segregated Portfolio Company — Yue Xiu Quantitative Growth SP, Yue Xiu Investment Fund Series Segregated Portfolio Company — Yue Xiu Quantitative Growth SP held 7,700,000 Class A Shares and 3,080,000 Listed Warrants.
- (7) Primavera LLC is a wholly-owned subsidiary of Primavera US LLC. Dr. Fred Hu holds approximately 39% of the shareholding in Primavera US LLC and is deemed to be interested in the underlying Class A Shares of the Promoter Warrants and Class B Shares held by Primavera LLC.
- (8) ABCI AM Acquisition is a wholly-owned subsidiary of ABCI AM which is wholly-owned by ABCI, which is in turn a wholly-owned subsidiary of ABC. ABC is owned as to approximately 40.03% by Central Huijin Investment Ltd., a wholly state-owned company. Each of ABCI AM, ABCI, ABC and Central Huijin Investment Ltd. is deemed to be interested in the underlying Class A Shares of the Promoter Warrants and Class B Shares held by ABCI AM Acquisition.
- (9) Represents interest in the underlying Class A Shares of the Promoter Warrants. 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), the Promoter Warrants may be exercised for a maximum of 12,851,600 Class A Shares in the aggregate, representing approximately 10.30% of the total Shares in issue.

Save as disclosed above, as at the end of the Reporting Period, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares which would need to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Corporate Governance and Other Information (Continued)

Changes in information of Directors and chief executives of the company

Since the date of the annual report of the Company for the year ended December 31, 2023, there have been no changes in information of the Directors or chief executives of the Company requiring disclosure pursuant to Rule 13.51B(1) of the Listing Rules.

On behalf of the Board
Interra Acquisition Corporation

Mr. CHEN Tong
Co-Chairman, Executive Director and Co-Chief Executive Officer

Hong Kong, August 23, 2024

INDEPENDENT REVIEW REPORT



Review report to the board of directors of Interra Acquisition Corporation

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 21 to 44 which comprises the statement of financial position of Interra Acquisition Corporation (the “**Company**”) as of June 30, 2024 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and condensed cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of 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.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

Independent Review Report (Continued)

Emphasis of Matter

We draw attention to note 1 to the interim financial report, which describes the purpose and design of the Company and the consequences if the Company fails to announce and complete an acquisition within the specified timeframes. Our conclusion is not modified in respect of this matter.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

August 23, 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2024 — unaudited
(Expressed in Hong Kong dollars)

	Notes	For the six months ended June 30, 2024 \$	For the six months ended June 30, 2023 \$
Revenue	4	–	–
Interest revenue		25,514,280	21,473,507
Listing expenses		–	(625,863)
Equity-settled share-based payment expenses	20(b)	(54,766,389)	(45,673,596)
Other operating expenses	5	(4,469,234)	(2,107,235)
Fair value change of deferred underwriting commissions payable	14	(605,443)	374,990
Loss from operations		(34,326,786)	(26,558,197)
Changes in the carrying amount of the redemption liabilities arising from the Class A Shares	16(a)	(25,330,162)	–
Fair value change of Listed Warrants	16(b)	(1,149,148)	(540,540)
Loss before taxation		(60,806,096)	(27,098,737)
Income tax	6	–	–
Loss and total comprehensive income for the period		(60,806,096)	(27,098,737)
Loss per share	9		
Basic and diluted		(2.43)	(1.08)

The notes on pages 25 to 44 form part of this interim financial report.

STATEMENT OF FINANCIAL POSITION

At June 30, 2024 — unaudited
(Expressed in Hong Kong dollars)

	Notes	As at June 30, 2024 \$	As at December 31, 2023 \$
Assets			
Cash and cash equivalents	10	625,724	2,077,546
Interest receivables	11	40,093,817	14,579,570
Prepayments	11	203,025	506,532
Amount due from the Promoters	15	2,503	2,503
Restricted bank balances	12	1,033,710,760	1,033,710,760
Total assets		1,074,635,829	1,050,876,911
Liabilities			
Other payables and accruals	13	4,648,523	1,934,651
Deferred underwriting commissions payable	14	21,555,346	20,949,903
Redemption liabilities arising from the Class A Shares	16(a)	1,072,589,613	1,047,259,451
Listed Warrants	16(b)	103,451,348	102,302,200
Total liabilities		1,202,244,830	1,172,446,205
NET LIABILITIES		(127,609,001)	(121,569,294)
CAPITAL AND RESERVES			
Share capital	18(a)	2,503	2,503
Reserves		(127,611,504)	(121,571,797)
NET DEFICIT		(127,609,001)	(121,569,294)

STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024 — unaudited
(Expressed in Hong Kong dollars)

	Notes	Share capital \$	Other reserve \$	Capital reserve \$	Accumulated losses \$	Total \$
Balance at January 1, 2023		2,503	(101,669,568)	124,561,787	(139,058,251)	(116,163,529)
Changes in equity for the period:						
Loss and total comprehensive income for the period		-	-	-	(27,098,737)	(27,098,737)
Equity-settled share-based payment	20(b)	-	-	45,673,596	-	45,673,596
Balance at June 30, 2023 and July 1, 2023		2,503	(101,669,568)	170,235,383	(166,156,988)	(97,588,670)
Change in equity for the period:						
Loss and total comprehensive income for the period		-	-	-	(31,075,840)	(31,075,840)
Equity-settled share-based payment		-	-	7,095,216	-	7,095,216
Balance at December 31, 2023 and January 1, 2024		2,503	(101,669,568)	177,330,599	(197,232,828)	(121,569,294)
Changes in equity for the period:						
Loss and total comprehensive income for the period		-	-	-	(60,806,096)	(60,806,096)
Equity-settled share-based payment	20(b)	-	-	54,766,389	-	54,766,389
Balance at June 30, 2024		2,503	(101,669,568)	232,096,988	(258,038,924)	(127,609,001)

CONDENSED CASH FLOW STATEMENT

For the six months ended June 30, 2024 — unaudited
(Expressed in Hong Kong dollars)

	Notes	For the six months ended June 30, 2024 \$	For the six months ended June 30, 2023 \$
Operating activities			
Loss before taxation		(60,806,096)	(27,098,737)
Adjustments for:			
Interest revenue		(25,514,280)	(21,473,507)
Equity-settled share-based payment expenses	20(b)	54,766,389	45,673,596
Fair value change of deferred underwriting commissions payable	14	605,443	(374,990)
Changes in the carrying amount of the redemption liabilities arising from the Class A Shares	16(a)	25,330,162	—
Fair value change of Listed Warrants	16(b)	1,149,148	540,540
Changes in working capital			
Decrease in prepayments		303,507	154,074
Increase in other payables and accruals		2,713,872	—
Net cash used in operating activities		(1,451,855)	(2,579,024)
Investing activity			
Interest received		33	—
Net cash generated from investing activity		33	—
Financing activity			
Payments of listing expenses		—	(4,138,573)
Net cash used in financing activity		—	(4,138,573)
Net decrease in cash and cash equivalents		(1,451,822)	(6,717,597)
Cash and cash equivalents at January 1		2,077,546	10,115,072
Cash and cash equivalents at the end of the period	10	625,724	3,397,475

Non-cash transactions

As at June 30, 2024, the Company had the deferred underwriting commissions payable of \$21,555,346 (see note 14) (as of June 30, 2023: \$21,578,538) with no cash flow impact.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 General information

Interra Acquisition Corporation (the “**Company**”) was incorporated in the Cayman Islands on January 11, 2022. The address of the Company’s registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The memorandum and articles of association authorises the issuance of Class A ordinary shares (the “**Class A Shares**”) and Class B ordinary shares (the “**Class B Shares**”). The Class B Shares have been issued prior to the initial public offering (the “**SPAC Offering**”). On September 16, 2022 (the “**Listing Date**”), the Company completed its SPAC Offering and issued 100,100,000 Class A Shares and 40,040,000 warrants (the “**Listed Warrants**”) at an offering price of HK\$10.00 for one Class A Share and 0.4 Listed Warrant.

Simultaneously, the Company issued 35,600,000 warrants (the “**Promoter Warrants**”) in a private placement at a price of HK\$1.00 per Promoter Warrant.

The Company was incorporated for the purpose of acquiring a suitable target that results in the listing of a successor company (referred to as a “**De-SPAC transaction**”) within the time limits required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). In particular, the Company is required to announce the terms of the De-SPAC transaction within 24 months and complete the De-SPAC transaction within 36 months after the SPAC Offering (the “**De-SPAC Deadline**”). If the Company does not announce and complete a De-SPAC transaction by the De-SPAC Deadline, the Company would: (i) cease all operations except for the purpose of winding up, (ii) suspend the trading of the Class A Shares and the Listed Warrants, (iii) as promptly as reasonably possible but no more than one month after the date that trading in the Class A Shares is suspended, redeem the Class A Shares in cash which would completely extinguish the rights of the holders of the Class A Shares as shareholders (including the right to receive further liquidation distributions, if any), and (iv) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the board of directors, liquidate and dissolve, subject in each case to the Company’s obligations under Cayman Islands law to provide for claims of creditors and the other requirements of applicable laws. The Company is allowed to submit a request to the Stock Exchange for an extension of the deadline for a period up to six months subject to approval.

For every Class A Shares that is not redeemed upon the completion of the De-SPAC transaction, the holders of the Class A Shares will receive an additional 0.2 warrant per Class A Share. This seeks to motivate shareholders to elect not to redeem their Class A Shares at the time of the De-SPAC transaction. The additional 0.2 of one warrant per share to be issued as described above would have the same terms of the 0.4 of Listed Warrant mentioned above.

The Company had not carried on any business since the date of its incorporation and is not expected to generate any operating revenue other than interest income until the completion of the De-SPAC transaction, at the earliest. All activities for the period from January 11, 2022 (date of incorporation) to June 30, 2024 were related to the Company’s formation, the SPAC Offering and identifying an appropriate target for the De-SPAC transaction.

The Company’s promoters are Primavera Capital Acquisition LLC, a Cayman Islands limited liability company (through a wholly owned subsidiary, Primavera Capital Acquisition (Asia) LLC, a Cayman Islands limited liability company) and ABCI Asset Management Limited, a Hong Kong limited liability company (through a wholly owned subsidiary, ABCI AM Acquisition Limited, a British Virgin Islands limited liability company) (together the “**Promoters**”).

2 Basis of preparation

The interim results set out in this report do not constitute the Company's interim financial report for the six months ended June 30, 2024 but are extracted from that interim financial report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the financial year ended December 31, 2023, which had been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”). Details of any changes in accounting policies are set out in note 3.

Notwithstanding the net liabilities of HK\$127,609,001, which is mainly due to financial liabilities representing the Listed Warrants of HK\$103,451,348 and deferred underwriting commissions payable of HK\$21,555,346, as at June 30, 2024, the interim financial report have been prepared on a going concern basis based on the following:

- the Promoters have committed to provide financial assistance to the Company by way of a loan facility of HK\$20.0 million;
- each Listed Warrant will be exercised by the holders on a cashless basis upon completion of a De-SPAC transaction (see note 14(b)); and
- the directors of the Company have reviewed the Company's cash flow projections, and are of the opinion that the Company will have sufficient working capital to meet its liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from the end of the reporting period.

The Company continues its search for potential targets of a De-SPAC transaction (“**De-SPAC Targets**”). As of the date of the interim financial report, the Company has not made an announcement of the terms of a potential De-SPAC transaction. Under the Listing Rules, the Company will have until 16 September 2024, or the expiry of 24 months from the date of listing, to make such announcement, subject to any extension period approved by the Shareholders and the Stock Exchange should the Company decide to apply for an extension. There is no assurance that the Company could consummate the De-SPAC transaction within the specified time limit in the Listing Rules.

3 Changes in accounting policies

The HKICPA has issued a new HKFRS and a number of amendments to HKFRSs that are first effective for the current accounting period of the Company. None of these developments have had a material effect on how the Company's results and financial position for the current or prior period have been prepared or presented. The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue and segment reporting

The principal activity of the Company is to acquire a suitable target for the completion of De-SPAC transaction within the time limits. No revenue was derived from this activity during the current and prior periods.

The Company's business activity is regularly reviewed and evaluated by the chief operating decision-makers. As a result of this evaluation, the directors of the Company consider that the Company's operations are operated and managed as a single reportable segment. Since this is the only reportable operating segment of the Company, no further operating segment analysis thereof is presented.

5 Other operating expenses

	For the six months ended June 30, 2024 HK\$	For the six months ended June 30, 2023 HK\$
Auditors' remuneration		
— other services	150,000	290,000
Legal and professional fees	3,604,866	885,348
Insurance expenses	200,962	182,934
Company secretarial fee	158,030	259,260
Directors' emoluments	224,892	223,152
Bank charges	7,500	42,576
Others	122,984	223,965
	4,469,234	2,107,235

Notes to the Unaudited Interim Financial Report (Continued)

6 Income tax

No income tax has been recognised during the current and prior periods 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.

7 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	For the six months ended June 30, 2024			Total HK\$
	Directors' fees HK\$	Salaries, allowances and benefits in kind HK\$	Retirement scheme contributions HK\$	
Executive Directors				
CHEN Tong	-	-	-	-
GE Chengyuan	-	-	-	-
MING Liang	-	-	-	-
YANG Xiuke	-	-	-	-
Independent non-Executive Directors ("INED")				
Ms. CHAN Jeanette Kim Yum	74,964	-	-	74,964
Mr. PU Yonghao	74,964	-	-	74,964
Ms. CHAN Ching Chu	74,964	-	-	74,964
	224,892	-	-	224,892

Notes to the Unaudited Interim Financial Report (Continued)

7 Directors' emoluments (Continued)

	For the six months ended June 30, 2023			Total HK\$
	Directors' fees HK\$	Salaries, allowances and benefits in kind HK\$	Retirement scheme contributions HK\$	
Executive Directors				
CHEN Tong (appointed as a director on January 11, 2022 and re-designated as an executive director on January 26, 2022)	-	-	-	-
GE Chengyuan (appointed as a director on January 18, 2022 and re-designated as an executive director on January 26, 2022)	-	-	-	-
MING Liang (appointed on April 25, 2022)	-	-	-	-
YANG Xiuke (appointed as a director on January 18, 2022 and re-designated as an executive Director on January 26, 2022)	-	-	-	-
Independent non-Executive Directors ("INED")				
Ms. CHAN Jeanette Kim Yum (appointed on September 5, 2022)	74,384	-	-	74,384
Mr. PU Yonghao (appointed on September 5, 2022)	74,384	-	-	74,384
Ms. CHAN Ching Chu (appointed on September 5, 2022)	74,384	-	-	74,384
	223,152	-	-	223,152

8 Individuals with highest emoluments

The Company has three INEDs for the six months ended June 30, 2024 and 2023. Of the three individuals with the highest emoluments, all are directors whose emoluments are disclosed in note 7.

9 Loss per share

The calculation of the basic loss per share is based on the loss for the period attributable to Promoters of the Company (“**Promoter Shareholders**”) divided by the weighted average number of Class B Shares, calculated as follows:

(i) Loss for the period attributable to Promoter Shareholders of the Company

	For the six months ended June 30, 2024 HK\$	For the six months ended June 30, 2023 HK\$
Loss for the period attributable to Promoter Shareholders of the Company	60,806,096	27,098,737

(ii) Weighted average number of shares

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Issued Class B Shares at January 1, 2024/ January 1, 2023	25,025,000	25,025,000
Weighted average number of Class B Shares at the end of the period	25,025,000	25,025,000

The calculation of diluted loss per share has not included the potential effects of Class A Shares issued, as they had an anti-dilutive effect on the basic loss per share for the current period.

10 Cash and cash equivalents

	As at June 30, 2024 HK\$	As at December 31, 2023 HK\$
Cash at bank	625,724	2,077,546

11 Interest receivables and prepayments

The interest receivables and prepayments are expected to be recovered or recognized as expense within one year.

12 Restricted banks balances

As at December 31, 2023 and June 30, 2024, the gross proceeds of HK\$1,001,000,000 from the SPAC Offering and interest of HK\$32,710,760 earned on the gross proceeds are deposited into an escrow account (the “**Escrow Account**”) in accordance with the Listing Rules. The gross proceeds are invested in a bank deposit with interest rate depending on the maturity and the maximum term of 1 year. The proceeds from the SPAC Offering would not be released from the Escrow Account, except to:

- meet the redemption requests of holders of the Class A Shares in connection with a shareholder vote to modify the timing of the Company’s obligation to announce the De-SPAC transaction within 24 months of the Listing Date or complete the De-SPAC transaction within 36 months of the Listing Date (or, if these time limits are extended pursuant to a vote of the holders of the Class A Shares and in accordance with the Listing Rules and a De-SPAC transaction is not announced or completed, as applicable, within such extended time limits), or approve the continuation of the Company following a material change in the Promoters or directors as provided for in the Listing Rules; or
- complete the De-SPAC transaction, in connection with which the funds held in the Escrow Account will be used to pay amounts due to holders of the Class A Shares who exercise their redemption rights, to pay 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 the loan facility and to pay other expenses associated with completing the De-SPAC transaction; or
- return funds to Class A Shareholders within one month of a suspension of trading imposed by the Stock Exchange if the Company (1) fails to obtain the requisite approvals in respect of the continuation of the Company following a material change referred to in Listing Rule 18B.32; or (2) fails to meet any of the deadlines (extended or otherwise) to (i) publish an announcement of the terms of a De-SPAC transaction within 24 months of the date of the Listing or (ii) complete a De-SPAC transaction within 36 months of the date of the Listing; or
- return funds to the Class A Shareholders upon the liquidation or winding up of the Company.

12 Restricted banks balances (Continued)

Interest and other income generated and accrued on the funds held in the Escrow Account may be released to pay for the Company's expenses and taxes, if any, subject to the following conditions:

- the relevant expenses and taxes have been incurred;
- the gross proceeds from the sale of the Promoter Warrants and the Promoter's loan facility have been fully utilised; and
- the Board has authorised the release of the Interest revenue from the Escrow Account.

13 Other payables and accruals

The accrual and other payables are expected to be settled within one year or are repayable on demand.

14 Deferred underwriting commissions payable

Pursuant to the terms of the underwriting agreement relating to the SPAC Offering which was entered into by, among others, the Company, the Promoters and the underwriters of the SPAC Offering (the "**Underwriters**"), the Underwriters (i) received an underwriting commission equal to 2% of the gross proceeds for the SPAC Offering on the Listing Date, and (ii) will receive a deferred underwriting commission which comprises an amount up to 1.5% of the gross proceeds which is earned on completion of the De-SPAC transaction, and an amount equal to 1.5% of the gross proceeds less the aggregate amount paid by the Company pursuant to the exercise of the redemption rights of the shareholders of the Company which is earned on completion of the De-SPAC transaction.

The deferred underwriting commissions were recognised as a financial liability under "Deferred underwriting commissions payable". The fair value change of the deferred underwriting commissions payable was loss of HK\$605,443 for the six months ended June 30, 2024 (2023: gain of HK\$374,990).

15 Amount due from the promoters

Amount due from the Promoters is unsecured, interest-free and repayable on demand.

16 Class A shares and listed warrants

The Company issued 100,100,000 Class A Shares together with 40,040,000 Listed Warrants for an aggregate price of HK\$1,001,000,000 on the Listing Date.

(a) Class A Shares

The Company has an obligation to redeem the Class A Shares at HK\$10 per share upon certain events (e.g. a change in the Promoters). Should the Class A Shares not be redeemed, the Company has an obligation to issue additional 0.2 warrant to the holder of the Class A Shares for each share that is not redeemed. Each Class A Share also entitles the holder to discretionary dividends and distributions.

The obligation to redeem the Class A Shares upon events that are beyond the control of the Company and the holder and issue additional warrants should the Class A Shares not be redeemed give rise to financial liabilities.

In addition, the redemption liabilities arising from Class A Shares also include any interest or other income, to the extent the amount is material, that has been generated in the Escrow Account but remains unreleased due to unfulfilled conditions for fund disbursement to the Company to pay for its expenses (see note 10). Should these conditions be subsequently fulfilled, part or all of such interest or income may be released from the Escrow Account to meet the Company's expenses.

The movements of the Class A Shares are as follows:

	HK\$
Liability component — redemption liabilities	
At January 1, 2023, June 30, 2023 and July 1, 2023	1,001,000,000
Changes in the carrying amount of the redemption liabilities recognised in profit or loss	46,259,451
At December 31, 2023, and January 1, 2024	1,047,259,451
Changes in the carrying amount of the redemption liabilities recognised in profit or loss	25,330,162
At June 30, 2024	1,072,589,613
Equity component	
A January 1, 2023, December 31, 2023, January 1, 2024 and June 30, 2024	(101,669,568)

16 Class A shares and listed warrants (Continued)

(b) Listed Warrants

Each Listed Warrant gives the holder the right to subscribe for one share of the listed issuer resulting from the completion of a De-SPAC Transaction (“**Successor Share**”) upon completion of a De-SPAC transaction at HK\$11.5 per share when the average closing price of the Successor Shares for the 10 trading days immediately prior to the date on which the notice of exercise is received by the registrar (the “**Fair Market Value**”) is at least HK\$11.5 per share. Such exercise will be conducted on a cashless basis by the holders surrendering the Listed Warrants for that number of Successor Shares, subject to adjustment, equal to the product of the number of Successor Shares underlying the Listed Warrants, multiplied by a quotient equal to the excess of the Fair Market Value of a Successor Share over the exercise price of the warrant divided by the Fair Market Value of the Successor Share. The Listed Warrants are 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, both days inclusive.

The Listed Warrant are classified as derivative financial liabilities that are measured at fair value through profit or loss, since the warrants 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.

The movements of the Listed Warrants are as follows:

	HK\$
At January 1, 2023	102,334,232
Fair value change of Listed Warrants recognised in profit or loss — unrealised	540,540
At June 30, 2023 and July 1, 2023	102,874,772
Fair value change of Listed Warrants recognised in profit or loss — unrealised	(572,572)
At December 31, 2023 and January 1, 2024	102,302,200
Fair value change of Listed Warrants recognised in profit or loss — unrealised	1,149,148
At June 30, 2024	103,451,348

17 Equity settled share-based transactions

The Company issued 25,025,000 Class B Shares on July 28, 2022 at a price of HK\$0.0001 per share. In accordance with the memorandum and articles of association, the Class B Shares contain a conversion feature (the “**Conversion Right**”) such that they are convertible into shares of a successor company (i.e. Successor Share) automatically upon the closing of the De-SPAC transaction at such a ratio that the number of Successor Shares issuable upon conversion of all Class B Shares will be equal to, on an as-converted basis and in the aggregate, 20% of the sum of all Class A Shares and Class B Shares in issue as at the Listing Date. Upon Listing, the Company issued 35,600,000 Promoter Warrants at an aggregate subscription price of HK\$35,600,000. Each Promoter Warrant gives the holder the right to subscribe for one Successor Share at HK\$11.5 per share and is settled net in shares. The Promoter Warrants are exercisable 12 months after the completion of the De-SPAC transaction. The contractual life of the Conversion Right of the Class B Shares and the Promoter Warrants is 3 years. The Company accounted for the Conversion Right in the Class B Shares and the Promoter Warrants granted on the Listing Date (collectively the “**Grants**”) as equity-settled share-based payment, with the completion of a De-SPAC transaction identified as the non-market performance condition.

(a) The number and weighted average exercise prices of the Promoter Warrants are as follows:

	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
	Weighted average exercise price	Number of Promoter Warrants	Weighted average exercise price	Number of Promoter Warrants
At January 1, 2024/January 1, 2023	HK\$11.50	35,600,000	HK\$11.50	35,600,000
Granted during the period	N/A	–	N/A	–
At the end of the period	HK\$11.50	35,600,000	HK\$11.50	35,600,000
Exercisable at the end of the period	N/A	–	N/A	–

The Promoter Warrants outstanding at June 30, 2024 had an exercise price of HK\$11.5 and a weighted average remaining contractual life of 1.2 years.

17 Equity settled share-based transactions (Continued)

(b) Fair value of the Grants and assumptions

The fair value of services received in return for the Grants granted, which includes the Promoter Warrants and the Conversion Rights in the Class B Shares, is measured by reference to the fair value of the Grants granted.

The estimate of the fair value of the Promoter Warrants granted is measured based on a Monte Carlo simulation method. The contractual life of the Promoter Warrants is used as an input into this model. Expectations of early exercise are incorporated into the Monte Carlo simulation method.

2022

Fair value of the Promoter Warrants and assumptions

Fair value at measurement date	HK\$2.58
Share price	HK\$10.00
Exercise price	HK\$11.50
Expected volatility	38.51%–39.97%
Option life	3 years
Expected dividends	0.00%
Risk-free interest rate	3.21%–3.26%

The expected volatility is estimated based on daily return of S&P SmallCap 600 Volatility — Highest Quintile Index. The length of period approximately equals to the expected time to maturity of the Promoter Warrants as of the Listing Date, sourced from Bloomberg. Expected dividends are based on management estimation. Changes in the subjective input assumptions could materially affect the fair value estimate.

The fair value of the conversion right per Class B Share was principally determined based on the value of the Class A Share.

The Grants were granted under a non-market performance condition. This condition has not been taken into account in the grant date fair value measurement of the services received.

18 Capital, reserves and dividends

(a) Share capital

	As at June 30, 2024		As at December 31, 2023	
	No. of shares	Share capital HK\$	No. of shares	Share capital HK\$
Class B Shares (par value HK\$0.0001 per share), issued and fully paid:				
At January 1, 2023, December 31, 2023, January 1, 2024 and June 30, 2024	25,025,000	2,503	25,025,000	2,503

Share capital represents the par value of the issued shares.

(b) Dividends

No dividends have been paid or declared by the Company during the current and prior periods.

(c) Nature and purpose of reserves

(i) Other reserve

Other reserve comprises the amount allocated to the equity component of the Class A Shares.

(ii) Capital reserve

The capital reserve comprises (i) the portion of the grant-date fair value of the Grants granted to the Promoters that has been recognised for share-based payments, and (ii) the proceeds from the issuance of the Promoter Warrants to the Promoters.

(d) Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders return, taking into consideration the future of the Company and capital efficiency, projected operating cash flows and projected capital expenditures.

The Company manages its capital structure, which comprises all components of equity and the gross proceeds from the SPAC Offering (see note 10), and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, new debt financing or the redemption of existing debt.

The Company is not subject to externally imposed capital requirements.

19 Financial risk management and fair values of financial instruments

Exposure to liquidity risk arises in the normal course of the Company's business. The Company's exposure to this risk and the financial risk management policies and practices used by the Company to manage this risk is described below. The Company's exposure to credit, interest rate and currency risks is not significant.

(a) Liquidity risk

The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Promoters have committed to provide an interest-free facility for an amount up to HK\$20,000,000 for the Company to meet its working capital needs or to finance transaction costs from time to time before the completion of any De-SPAC transaction. Interest revenue earned on the funds held in the Escrow Account is also expected to be released to pay the Company's operating expenses (see note 12).

The following tables show the remaining contractual maturities at the end of 2023 and June 30, 2024 of the Company's financial liabilities, 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 the year) and the earliest date the Company can be required to pay.

19 Financial risk management and fair values of financial instruments (Continued)

(a) Liquidity risk (Continued)

	June 30, 2024		
	Contractual undiscounted cash outflow		Carrying amount at June 30, 2024 HK\$
	Within 1 year or on demand HK\$	Total HK\$	
Other payables and accruals	4,648,523	4,648,523	4,648,523
Deferred underwriting commissions payable	30,030,000	30,030,000	21,555,346
Redemption liabilities arising from the Class A Shares	1,072,589,613	1,072,589,613	1,072,589,613
	1,107,268,136	1,107,268,136	1,098,793,482

	December 31, 2023		
	Contractual undiscounted cash outflow		Carrying amount at December 31, 2023 HK\$
	Within 1 year or on demand HK\$	Total HK\$	
Other payables and accruals	1,934,651	1,934,651	1,934,651
Deferred underwriting commissions payable	30,030,000	30,030,000	20,949,903
Redemption liabilities arising from the Class A Shares	1,047,259,451	1,047,259,451	1,047,259,451
	1,079,224,102	1,079,224,102	1,070,144,005

19 Financial risk management and fair values of financial instruments (Continued)

(b) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Co-Chief Executive Officer of the Company works closely with a qualified external valuer to establish the appropriate valuation techniques and inputs in assessing the fair value of the Company's financial instruments, including the deferred underwriting commissions payable and Listed Warrants, both of which are categorised into Level 3 of the fair value hierarchy. A valuation report with analysis of changes in fair value measurement is prepared by the Co-Chief Executive Officer for each reporting period, and is reviewed and approved by the directors.

	Fair value at June 30, 2024 HK\$	Fair value measurements as at June 30, 2024 categorised into		
		Level 1 HK\$	Level 2 HK\$	Level 3 HK\$
Recurring fair value measurements				
Deferred underwriting commissions payable	21,555,346	–	–	21,555,346
Listed Warrants	103,451,348	–	–	103,451,348

19 Financial risk management and fair values of financial instruments (Continued)

(b) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value at December 31, 2023 HK\$	Fair value measurements as at December 31, 2023 categorised into		
		Level 1 HK\$	Level 2 HK\$	Level 3 HK\$
Recurring fair value measurements				
Deferred underwriting commissions payable	20,949,903	–	–	20,949,903
Listed Warrants	102,302,200	–	–	102,302,200

During the current and prior periods, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Company's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

Deferred underwriting commissions payable

The fair value of the deferred underwriting commissions payable is determined based on the expected payment, which takes into account the probability and timing of a De-SPAC transaction, discounted to present value using a discount rate of 5.9% as at June 30, 2024 (December 31, 2023: 5.9%). It is considered that a De-SPAC transaction is highly probable and is expected to occur in mid of 2025, based on available industry information and market data.

Notes to the Unaudited Interim Financial Report (Continued)

19 Financial risk management and fair values of financial instruments (Continued)

(b) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

The following table demonstrates the sensitivity to changes in the probability and the discount rate, with all other variables constant, at the end of the period/year.

Deferred underwriting commissions payable

	For the six months ended June 30, 2024 Increased/ (decreased) the Company's loss after tax HK\$	For the year ended December 31, 2023 Increased/ (decreased) the Company's loss after tax HK\$
Probability		
— increase by 5%	1,134,492	1,102,626
— decrease by 5%	(1,134,492)	(1,102,626)
Discount rate		
— increase by 3%	(593,920)	(859,097)
— decrease by 3%	628,558	922,142

The movements of the deferred underwriting commissions payable are as follows:

	For the six months ended June 30, 2024 HK\$	For the year ended December 31, 2023 HK\$
At January 1, 2024/January 1, 2023	20,949,903	21,953,528
Fair value change of deferred underwriting commissions payable recognised in profit or loss — unrealised	605,443	(1,003,625)
At the end of period/year	21,555,346	20,949,903

19 Financial risk management and fair values of financial instruments
(Continued)

(b) Fair value measurement (Continued)

(i) **Financial assets and liabilities measured at fair value (Continued)**

Information about Level 3 fair value measurements (Continued)

Listed Warrants

	Valuation techniques	Significant unobservable inputs	Range as at June 30, 2024	Range as at December 31, 2023
Listed Warrants	Monte Carlo simulation method	Expected volatility	40.60%–41.67%	39.19%–40.52%
		Risk-free interest rate	3.39%	2.92%

The fair value of Listed Warrants was determined using the Monte Carlo simulation method and the significant unobservable input used in the fair value measurement were expected volatility and risk-free interest rate.

The following table demonstrates the sensitivity to changes in the expected volatility and the risk-free interest rate, with all other variables constant, at the end of the period/year.

Listed Warrants

	For the six months ended June 30, 2024 Increased/ (decreased) the Company's loss after tax HK\$	For the year ended December 31, 2023 Increased/ (decreased) the Company's loss after tax HK\$
Expected volatility		
— increase by 5%	5,205,200	4,216,212
— decrease by 5%	(9,905,896)	(4,652,648)
Risk-free interest rate		
— increase by 2%	4,308,304	4,368,364
— decrease by 2%	(6,446,440)	(5,897,892)

(ii) **Fair value of assets and liabilities carried at amounts other than fair value**

All other financial instruments are carried at amounts not materially different from their fair values as at June 30, 2024 and December 31, 2023, respectively.

Notes to the Unaudited Interim Financial Report (Continued)

20 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Company represents amounts paid to the Company's directors as disclosed in note 7.

(b) Other significant related party transaction

	For the six months ended June 30, 2024 HK\$	For the six months ended June 30, 2023 HK\$
Equity-settled share-based payment expenses to the Promoters (note 17)	54,766,389	45,673,596