UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO **RULE 13a-16 OR 15d-16 UNDER**
THE SECURITIES EXCHANGE ACT OF 1934

For October 2023

Commission File No. 001-41772

ESGL Holdings Limited

101 Tuas South Avenue 2
Singapore 637226

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES.)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-___

Other Information

On August 2, 2023, ESGL Holdings Limited, a Cayman Islands exempted company (the “Company”), Genesis Unicorn Capital Corp. (“GUCC”), ESGH Merger Sub Corp., a wholly-owned subsidiary of the Company, and Environmental Solutions Group Holdings Limited, a Cayman Islands exempted company, closed on a business combination transaction pursuant to the Merger Agreement dated as of November 29, 2022 among the foregoing parties.

The financial statements of GUCC for the quarterly period ended June 30, 2023 are attached hereto as Exhibit 99.1 and are incorporated herein by reference. The financial statements of Environmental Solutions Group Holdings Limited and subsidiaries for the period ended June 30, 2023 are attached hereto as Exhibit 99.2 and are incorporated herein by reference. The unaudited pro forma condensed combined financial information for the period ended June 30, 2023 is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

Exhibits

Exhibit No.	Description
99.1	Financial statements of GUCC for the quarterly period ended June 30, 2023.
99.2	Financial Statements of Environmental Solutions Group Holdings Limited and subsidiaries for the period ended June 30, 2023.
99.3	Unaudited Pro Forma Condensed Combined Financial Information for the period ended June 30, 2023.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ESGL Holdings Limited

By:	*/s/ Ho Shian Ching*
Name:	Ho Shian Ching
Title:	Chief Financial Officer

Dated: October 2, 2023

Exhibit 99.1

PART 1 - FINANCIAL INFORMATION
Item 1. FINANCIAL STATEMENTS

GENESIS UNICORN CAPITAL CORP.
BALANCE SHEETS

	June 30, 2023 (Unaudited)	December 31, 2022
Assets:		
Current assets:		
Cash	$ 89,098	$ 98,254
Prepaid expenses - current	131,844	157,134
Total current assets	220,942	255,388
Prepaid expenses - noncurrent	—	19,007
Investments held in Trust Account	58,105,401	88,824,794
Total Assets	**$ 58,326,343**	**$ 89,099,189**
Liabilities and Stockholders' Deficit:		
Current liabilities:		
Accounts payable	$ 63,564	$ 23,474
Accrued expenses	759,915	448,172
Accrued expenses - related party	—	10,000
Franchise tax payable	20,000	200,000
Income tax payable	56,540	227,000
Promissory note - related party	2,450,000	250,000
Total current liabilities	3,350,019	1,158,646
Deferred underwriting commissions payable	2,803,125	2,803,125
Total Liabilities	6,153,144	3,961,771
Commitments and Contingencies (Note 6)		
Class A common stock subject to possible redemption; 5,447,059 and 8,625,000 shares at redemption value of $10.63 and $10.24 per share at June 30, 2023 and December 31, 2022, respectively	57,928,860	88,297,794
Stockholders' Deficit:		
Preferred stock, $0.0001 par value; 1,250,000 shares authorized; none issued and outstanding at June 30, 2023 and December 31, 2022	—	—
Class A common stock, $0.0001 par value; 125,000,000 shares authorized; 420,456 shares issued and outstanding, excluding 5,447,059 and 8,625,000 shares subject to redemption at June 30, 2023 and December 31, 2022, respectively	42	42
Class B common stock, par value $0.0001; 12,500,000 shares authorized; 2,156,250 issued and outstanding at June 30, 2023 and December 31, 2022	216	216
Additional paid-in capital	—	—
Accumulated deficit	(5,755,919)	(3,160,634)
Total Stockholders' Deficit:	(5,755,661)	(3,160,376)
Total Liabilities and Stockholders' Deficit:	**$ 58,326,343**	**$ 89,099,189**

The accompanying notes are an integral part of the unaudited condensed financial statements.

GENESIS UNICORN CAPITAL CORP.
STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Operating costs	$ 349,351	$ 174,912	$ 1,250,835	$ 320,651
Franchise tax expense	50,000	50,000	100,050	104,153
Loss from operations	**(399,351)**	**(224,912)**	**(1,350,885)**	**(424,804)**
Investment income earned on investments held in Trust Account	658,125	71,282	1,207,374	110,316
Net income (loss) before income taxes	**258,774**	**(153,630)**	**(143,511)**	**(314,488)**
Income tax expense	(8,248)	—	(113,080)	—
Net income (loss)	**$ 250,526**	**$ (153,630)**	**$ (256,591)**	**$ (314,488)**
Basic and diluted weighted average shares outstanding, Class A common stock	5,867,515	8,265,000	6,657,611	6,337,707
Basic and diluted net income (loss) per share, Class A common stock	$ 0.03	$ (0.01)	$ (0.03)	$ (0.04)
Basic and diluted weighted average shares outstanding, Class B common stock	2,156,250	2,156,250	2,156,250	2,081,665
Basic and diluted net income (loss) per share, Class B common stock	$ 0.03	$ (0.01)	$ (0.03)	$ (0.04)

The accompanying notes are an integral part of the unaudited condensed financial statements.

GENESIS UNICORN CAPITAL CORP.
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(UNAUDITED)

THREE AND SIX MONTHS ENDED JUNE 30, 2023

	Class A common stock		Class B common stock		Additional Paid-in	Accumulated	Total Shareholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance - January 1, 2023	420,456	$ 42	2,156,250	$ 216	$ —	$ (3,160,634)	$ (3,160,376)
Remeasurement of Class A common stock to redemption amount	—	—	—	—	—	(521,015)	(521,015)
Net loss	—	—	—	—	—	(507,117)	(507,117)
Balance - March 31, 2023	**420,456**	**$ 42**	**2,156,250**	**$ 216**	**$ —**	**$ (4,188,766)**	**$ (4,188,508)**
Remeasurement of Class A common stock to redemption amount	—	—	—	—	—	**(1,817,679)**	(1,817,679)
Net income	—	—	—	—	—	250,526	250,526
Balance - June 30, 2023	**420,456**	**$ 42**	**2,156,250**	**$ 216**	**$ —**	**$ (5,755,919)**	**$ (5,755,661)**

The accompanying notes are an integral part of the unaudited condensed financial statements.

GENESIS UNICORN CAPITAL CORP.
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(UNAUDITED)

THREE AND SIX MONTHS ENDED JUNE 30, 2022

	Class A common stock		Class B common stock		Additional Paid-in	Accumulated	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Capital	Deficit	(Deficit)
Balance - January 1, 2022	**—**	**$ —**	**2,156,250**	**$ 216**	**$ 24,784**	**$ (16,778)**	**$ 8,222**
Sale of Units in Initial Public Offering, net of offering costs	8,625,000	863	—	—	84,677,946	—	84,678,809
Class A Common Stock subject to possible redemption	(8,625,000)	(863)	—	—	(87,542,887)	—	(87,543,750)
Sale of Private Placement Units	377,331	38	—	—	3,773,272	—	3,773,310
Representative shares	43,125	4	—	—	(4)	—	—
Deferred underwriting commission	—	—	—	—	(2,803,125)	—	(2,803,125)
Re-classification	—	—	—	—	1,870,014	(1,870,014)	—
Net loss	—	—	—	—	—	(160,858)	(160,858)
Balance - March 31, 2022	**420,456**	**42**	**2,156,250**	**216**	**—**	**(2,047,650)**	**(2,047,392)**
Net loss	—	—	—	—	—	(153,630)	(153,630)
Balance - June 30, 2022	**420,456**	**$ 42**	**2,156,250**	**$ 216**	**$ —**	**$ (2,201,280)**	**$ (2,201,022)**

The accompanying notes are an integral part of the unaudited condensed financial statements.

GENESIS UNICORN CAPITAL CORP.
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash Flows from Operating Activities:		
Net loss	$ (256,591)	$ (314,488)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on investments held in Trust Account	(1,207,374)	(110,316)
Changes in operating assets and liabilities:		
Prepaid expenses	44,297	(275,574)
Accounts payable	40,089	5,000
Accrued expenses	311,743	12,807
Accrued expenses - related party	(10,000)	30,000
Franchise tax payable	(180,000)	100,000
Income tax payable	(170,460)	—
Net cash used in operating activities	**(1,428,296)**	**(552,571)**
Cash Flows from Investing Activities:		
Cash deposited into Trust Account	(1,634,120)	(87,543,750)
Cash withdrawn from Trust Account to pay taxes	853,260	—
Cash withdrawn from the Trust Account to pay stockholders	32,707,627	—
Net cash provided by (used in) investing activities	**31,926,767**	**(87,543,750)**
Cash Flows from Financing Activities:		
Proceeds from promissory note - related party	2,200,000	9,606
Repayment of promissory note - related party	—	(183,753)
Payment of cash to redeeming stockholders	(32,707,627)	—
Proceeds from initial public offering, net of underwriting discount and offering costs paid	—	84,851,528
Proceeds from sale of private placement units	—	3,773,310
Net cash (used in) provided by financing activities	**(30,507,627)**	**88,450,691**
Net Change in Cash	**(9,156)**	**354,370**
Cash - Beginning of period	98,254	9,650
Cash - End of period	**$ 89,098**	**$ 364,020**
Supplemental disclosures of non-cash investing and financing activities:		
Deferred underwriting commissions payable	$ —	$ 2,803,125
Initial Classification of Class A common stock subject to redemption	$ —	$ 87,543,750
Remeasurement of Class A common stock to redemption amount	$ 2,338,694	$ —

The accompanying notes are an integral part of the unaudited condensed financial statements.

NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Genesis Unicorn Capital Corp. (the “Company”) is a blank check company incorporated in the state of Delaware on February 23, 2021. The Company was formed for the purpose of acquiring, engaging in a share exchange, share reconstruction and amalgamation with, purchasing all or substantially all of the assets of, entering into contractual arrangements with, or engaging in any other similar business combination with one or more businesses or entities (“Business Combination”). Although the Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company intends to focus on businesses in the biotechnology and pharmaceutical industries.

As of June 30, 2023, the Company had not commenced any operations. All activity for the period from February 23, 2021 (inception) through June 30, 2023 relates to the Company’s formation and the initial public offering (the “Initial Public Offering”) described below, and since the closing of the Initial Public Offering, the search for a prospective initial Business Combination. The Company will generate non-operating income in the form of interest income on cash and cash equivalents from the proceeds derived from the Initial Public Offering. The Company has selected December 31st as its fiscal year end. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

The Company’s sponsor is Genesis Unicorn Capital, LLC (the “Sponsor”), a Delaware limited liability company. The registration statement for the Company’s Initial Public Offering was declared effective on February 14, 2022. On February 17, 2022, the Company consummated its Initial Public Offering of 8,625,000 units (the “Units” and, with respect to the Class A common stock included in the Units being offered, the “Public Shares”), including 1,125,000 Units that were issued pursuant to the underwriters exercise of their over-allotment option in full, at $10.00 per Unit, generating gross proceeds of $86,250,000. During the period from February 23, 2021 (inception) through December 31, 2021, the Company incurred offering costs of $4,374,315, of which $1,078,125 was for underwriting commissions, $2,803,125 was for deferred underwriting commissions (see Note 6) and $493,065 was for other offering costs.

Simultaneously with the consummation of the closing of the Initial Public Offering, the Company consummated the private placement of an aggregate of 377,331 units (the “Private Placement Units”) to the Sponsor, at a price of $10.00 per Private Placement Unit, generating total gross proceeds of $3,773,310 (the “Private Placement”) (see Note 4).

Following the closing of the Initial Public Offering and Private Placement on February 17, 2022, an amount of $87,543,750 ($10.15 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Units was placed in a trust account (the “Trust Account”), located in the United States and held as cash items or invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraph (d) of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the assets held in the Trust Account, as described below.

The Company will provide its holders of the outstanding Public Shares (the “public stockholders”) with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. In connection with a proposed Business Combination, the Company may seek stockholder approval of a Business Combination at a meeting called for such purpose at which public stockholders may seek to redeem their Public Shares, regardless of whether they vote for or against a Business Combination. The Company will proceed with a Business Combination only if a majority of the outstanding shares voted are voted in favor of the Business Combination.

If the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Company's amended and restated certificate of incorporation (the "Amended and Restated Certificate of Incorporation") provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from seeking redemption rights with respect to 15% or more of the Public Shares without the Company's prior written consent.

The public stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially $10.15 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). The per-share amount to be distributed to public stockholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriter. There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants. The Public Shares will be recorded at a redemption value and classified as temporary equity upon the completion of the Initial Public Offering, in accordance with Accounting Standards Codification ("ASC") Topic 480, *Distinguishing Liabilities from Equity* ("ASC 480").

If a stockholder vote is not required and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation, offer such redemption pursuant to the tender offer rules of the Securities and Exchange Commission ("SEC"), and file tender offer documents containing substantially the same information as would be included in a proxy statement with the SEC prior to completing a Business Combination.

The Sponsor has agreed (a) to vote its Class B common stock, the common stock included in the Private Placement Units (the "Private Placement Shares") and any Public Shares purchased during or after the Initial Public Offering in favor of a Business Combination, (b) not to propose an amendment to the Amended and Restated Certificate of Incorporation with respect to the Company's pre-Business Combination activities prior to the consummation of a Business Combination unless the Company provides dissenting public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment; (c) not to redeem any shares (including the Class B common stock) and Private Placement Units (including underlying securities) into the right to receive cash from the Trust Account in connection with a stockholder vote to approve a Business Combination (or to sell any shares in a tender offer in connection with a Business Combination if the Company does not seek stockholder approval in connection therewith) or a vote to amend the provisions of the Amended and Restated Certificate of Incorporation relating to stockholders' rights of pre-Business Combination activity and (d) that the Class B common stock and Private Placement Units (including underlying securities) shall not participate in any liquidating distributions upon winding up if a Business Combination is not consummated. However, the Sponsor will be entitled to liquidating distributions from the Trust Account with respect to any Public Shares purchased during or after the Initial Public Offering if the Company fails to complete its Business Combination.

The Company will have until 12 months (or up to 18 months if the Company extends the period of time to consummate a Business Combination) from the closing of the Initial Public Offering to consummate a Business Combination (the "Combination Period"). If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than five business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (net of taxes payable and less interest to pay dissolution expenses up to $100,000), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the Company's board of directors, proceed to commence a voluntary liquidation and thereby a formal dissolution of the Company, subject in each case to its obligations to provide for claims of creditors and the requirements of applicable law. The underwriters have agreed to waive its rights to the deferred underwriting commission held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit ($10.00).

The Sponsor has agreed that it will be liable to the Company, if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amounts in the Trust Account to below $10.00 per share, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under the Company's indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). In the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (except for the Company's independent registered accounting firm), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

The Merger Agreement

On November 29, 2022, we entered into an agreement and plan of merger (the "Merger Agreement") with ESGL Holdings Limited, a Cayman Islands exempted company, and wholly-owned subsidiary of the Company (the "Purchaser"), ESGH Merger Sub Corp., a Cayman Islands exempted company and a wholly-owned subsidiary of Purchaser ("Merger Sub"), Environmental Solutions Group Holdings Limited, a Cayman Islands exempted company ("ESGL"), and Quek Leng Chuang, solely in his capacity as the shareholder representative, agent and attorney-in-fact of the shareholders of ESGL (the "Shareholder Representative"). Upon the closing of the transactions contemplated by the Merger Agreement, (a) the Company will be merged with and into the Purchaser (the "Redomestication Merger"), with the Purchaser surviving the Redomestication Merger; and (b) Merger Sub will be merged with and into ESGL (the "Acquisition Merger"), with ESGL surviving the Acquisition Merger as a direct wholly-owned subsidiary of the Purchaser (collectively, the Redomestication Merger and the Acquisition Merger are the "Merger" of the Business Combination"). Following the Business Combination, the Purchaser will be a publicly traded company listed on a stock exchange in the United States.

Consideration

Pursuant to the terms of the Merger Agreement, the aggregate consideration to be paid at the closing of the Business Combination to existing shareholders of ESGL is $75,000,000 less certain transaction costs, the net cash debt of ESGL as of the closing and an estimate of the working capital adjustment described below (the "Merger Consideration"), which will be paid in newly issued ordinary shares of the Purchaser, as the publicly traded surviving company, at a deemed price of $10.00 per share. The Merger Consideration otherwise payable at the closing of the Business Combination to shareholders of ESGL shall be reduced by 375,000 ordinary shares of the Purchaser (the "Holdback Amount"). Within 90 days following the closing of the Business Combination, the Shareholder Representative and the representative of the Purchaser shall receive a closing statement from the Purchaser setting forth the amount of working capital of the Purchaser, subject to the parties' confirmation. Following the final determination of the working capital amount at closing compared to the target working capital amount of $3,500,000, the Merger Consideration shall be adjusted accordingly based on the working capital adjustment provisions contained in the Merger Agreement, with each ESGL shareholder receiving its pro rata share of the Holdback Amount, if any.

The Closing

On July 26, 2023, the Company held a special meeting of its stockholders (the "Special Meeting"), at which the stockholders voted on and approved the Reincorporation Merger Proposal, the Acquisition Merger Proposal, the Nasdaq Proposal and the Governance Proposals, each of which is described in more detail in the definitive proxy statement filed with the SEC on July 5, 2023.

The Business Combination closed on August 3, 2023.

Board of Directors of Surviving Corporation

Pursuant to the terms of the Merger Agreement, immediately after the closing, the Purchaser's board of directors shall consist of six (6) directors, of whom one individual will be designated by the Company and of whom five (5) individuals will be designated by ESGL. The Company designee and three (3) of the five (5) ESGL designees shall be deemed independent in accordance with Nasdaq requirements.

Additional Agreements executed at the signing of the Merger Agreement

Contemporaneously with the signing of the Merger Agreement, certain holders of ESGL ordinary shares executed lock-up agreements ("Lock-Up Agreements").

Lock-up Agreements

Pursuant to the Lock-Up Agreements, such holders have agreed, subject to certain customary exceptions, not to (i) sell, offer to sell, contract or agree to sell, pledge or otherwise dispose of, directly or indirectly, any of the Company shares of common stock held by them (such shares, together with any securities convertible into or exchangeable for or representing the rights to receive the Company's common stock if any, acquired during the Lock-Up Period (the "Lock-up Shares")); (ii) enter into a transaction that would have the same effect; (iii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Shares or otherwise or engage in any short sales or other arrangement with respect to the Lock-Up Shares: or (iv) publicly announce any intention to effect any transaction specified in clause (i) or (ii), in each case until the date that is six (6) months after the closing date of the Business of Combination (the "Lock-Up Period").

Shareholder Support Agreement

Contemporaneously with the execution of the Merger Agreement, certain holders of ESGL ordinary shares entered into a support agreement, pursuant to which such holders agreed to, among other things, approve the Merger Agreement and the proposed Business Combination.

Sponsor Support Agreement

Contemporaneously with the execution of the Merger Agreement, certain holders of the Company's common stock entered into a support agreement, pursuant to which such holders agreed to, among other things, approve the Merger Agreement and the proposed Business Combination.

Additional Agreements to be executed at Closing

Amended and Restated Registration Rights Agreement

At the closing of the Business Combination, the Purchaser will enter into an amended and restated registration rights agreement (the “Registration Rights Agreement”) with certain existing stockholders of the Company with respect to certain shares and private units (and the private shares, private warrants and shares underlying the private warrants included therein) they own at the closing of the Business Combination. The Registration Rights Agreement provides certain demand registration rights and piggyback registration rights to the securityholders, subject to underwriter cutbacks. The Purchaser will agree to pay certain fees and expenses relating to registrations under the Registration Rights Agreement.

Waiver Agreement

On July 26, 2023, the parties to the Merger Agreement entered into a waiver agreement (the “Waiver Agreement”) pursuant to which each of the Company, Merger Sub and Purchaser agreed to waive the closing condition contained in Section 10.2 of the Merger Agreement that ESGL shall have duly performed or complied with, in all material respects, all of its obligations hereunder required to be performed or complied with (without giving effect to any materiality or similar qualifiers contained therein) by ESGL at or prior to the closing date in so far as they relate to ESGL’s New Developments (as defined below) (and shall not extend to any other event, circumstance or instance), and (b) each of the Company, Merger Sub, Purchaser, ESGL and the Shareholder Representative agreed to waive the requirement that the Holdback Amount (as defined in the Merger Agreement) reduces the Per Share Merger Consideration Amount (as defined in the Merger Agreement) payable to ESGL shareholders at closing. In connection with the foregoing waivers, each of the Company, Merger Sub, Purchaser, ESGL and the Shareholder Representative acknowledged and agreed that the Merger Consideration will not be adjusted in respect of working capital pursuant to Sections 4.1 or 4.3 of the Merger Agreement.

“ESGL’s New Developments” is defined as the following: (i) ESGL is unable to deliver to the Company a good faith calculation of ESGL’s Estimated Working Capital (as defined in the Merger Agreement) at least three (3) business days prior to the closing date; and (ii) ESGL has requested that the Per Share Merger Consideration Amount payable to ESGL shareholders shall not be reduced by the Holdback Amount of $3,750,000 for purposes of calculating the Per Share Merger Consideration (as defined in the Merger Agreement) at closing.

Forward Purchase Agreement

On July 27, 2023, the Company, the Purchaser, and ESGL entered into an agreement (“Forward Purchase Agreement”) with Vellar Opportunities Fund Master, Ltd. (“Vellar”) for an OTC Equity Prepaid Forward Transaction. On the same date as the execution of the Forward Purchase Agreement, Vellar assigned and novated 50% of its rights and obligations under the Forward Purchase Agreement to ACM ARRT K LLC (“ARRT”, together with Vellar, the “Sellers”). Following the assignment and novation, the rights and obligations of each Seller under its Forward Purchase Agreement were and are separate and distinct from the those of the other Seller, with each Seller acting independently of the other, without reference to or knowledge of the other Seller’s actions or inactions.

The primary purpose of entering into the Forward Purchase Agreement was to provide cash to the Purchaser following the closing of the Business Combination (the “Closing”). For purposes of the Forward Purchase Agreement, the Company is referred to as the “Counterparty” prior to the Closing, while the Purchaser is referred to as the “Counterparty” after the Closing. Capitalized terms used, but not otherwise defined, in this subsection entitled “Forward Purchase Agreement” shall have the meanings ascribed to such terms in the Forward Purchase Agreement filed as an Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on July 27, 2023.

Pursuant to the terms of the Forward Purchase Agreement, each Seller intended, but was not obligated, to purchase up to 2,200,000 shares (the “Maximum Number of Shares”) of Company Class A common stock, or 4,400,000 in total. The Sellers made their purchases after the expiration of the redemption deadline for holders to redeem shares in connection with the Business Combination, in brokered transactions in the open market, typically from holders that had elected to redeem their shares. In aggregate, Vellar purchased 931,915 shares, and ARRT 500,000 shares of the Company’s Class A common stock (the “Recycled Shares”). In connection with these purchases, the Sellers revoked any redemption elections.

The Forward Purchase Agreement provides that each Seller be paid directly an aggregate cash amount (the "Prepayment Amount") equal to the product of (i) the number of Recycled Shares set forth in a Pricing Date Notice delivered by that Seller and (ii) the redemption price paid by the Company at Closing to holders of its common stock who exercised their redemption rights in connection with the Business Combination (the "Initial Price"). Following the Closing, the Company paid the Prepayment Amounts of $10,141,403.28 to Vellar and $5,427,750.00 to ARRT directly from the Counterparty's trust account maintained by Continental Stock Transfer and Trust Company

The Forward Purchase Agreement grants each Seller the right to purchase from the Counterparty additional shares (the "Additional Shares") up to an amount equal to the difference between the number of Recycled Shares for such Seller and 2,200,000 shares (which is the maximum number of shares for each Seller). On August 14, 2023, Vellar delivered a Pricing Date Notice to the Purchaser for 1,268,085 Additional Shares, which were issued by the Purchaser effective as of that date. On August 4, 2023, ARRT delivered a Pricing Date Notice to ESGL for 550,000 Additional Shares, which were issued by the Purchaser effective as of that date. The sum of the Recycled Shares and the Additional Shares under the Forward Purchase Agreement is referred to as the "Number of Shares."

From time to time and on any date following the Closing (any such date, an "OET Date"), each Seller may, in its absolute discretion, terminate the Forward Purchase Agreement in whole or in part by providing written notice to the Counterparty (the "OET Notice") that specifies the number of shares for which the Forward Purchase Agreement will be terminated (such quantity, the "Terminated Shares"). The effect of an OET Notice will be to reduce the Number of Shares by the number of Terminated Shares specified in such OET Notice with effect as of the related OET Date. As of each OET Date, the Counterparty shall be entitled to an amount from the Seller delivering the OET Notice, equal to the product of (x) the number of Terminated Shares and (y) the reset price as of the OET Date. The reset price will initially be the Initial Price, but is subject to reduction in the event that the Counterparty issues Ordinary Shares or securities convertible into or exchangeable or executable for Ordinary Shares at a price that is less than the reset price, subject to certain exceptions.

The valuation date (the "Valuation Date") for each Forward Purchase Agreement will be the earliest to occur of (a) the date that is 24 months after the Closing, (b) the date specified by the Seller in a written notice to be delivered to the Counterparty at Seller's discretion (which Valuation Date shall not be earlier than the day such notice is effective) after the occurrence of any of (w) a VWAP Trigger Event (x) a Delisting Event, or (y) a Registration Failure and (c) the date specified by the Seller in a written notice to be delivered to Counterparty at the Seller's sole discretion (which Valuation Date shall not be earlier than the day such notice is effective).

In connection with the occurrence of the Valuation Date, each Seller will pay to the Counterparty an amount in cash based on the value of the Ordinary Shares over a Valuation Period (the "Settlement Amount"). The Valuation Period begins on the business day after the Valuation Date and ends on the date on which the number of shares traded over the Valuation Period equals ten times the Number of Shares. The Seller will pay the Settlement Amount on the Cash Settlement Payment Date, which is the 30th business day immediately following the last day of the Valuation Period.

The determination of the Settlement Amount depends upon the trigger for the Valuation Date. In the event the Valuation Date is determined by Seller delivering to Counterparty written notice at its sole discretion, the Settlement Amount will equal (1) the Number of Shares as of the Valuation Date multiplied by (2) the closing price of the Shares on the immediately preceding trading day. In all other cases, the Settlement Amount will equal (1) the Number of Shares as of the Valuation Date that are registered for resale under an effective Registration Statement or may be transferred without any restrictions (including the current public information requirement or the volume and manner of sale limitations under Rule 144 under the Securities Act) multiplied by the average of the daily VWAP Price over the Valuation Period less (2) the Settlement Amount Adjustment. The Settlement Amount Adjustment is equal to the product of (1) (a) the Maximum Number of Shares less (b) any Terminated Shares as of the Valuation Date, multiplied by (2) $2.00.

On one occasion, during the period beginning 30 days after the Closing Date and ending on the Valuation Date, Counterparty may request in writing that each Seller provide it with additional funding of up to $1,000,000 (for an aggregate of $2,000,000), subject to the terms of the Forward Purchase Agreement (the “Additional Funds”). If a Seller provides Additional Funds to Counterparty, that Seller may deliver to Counterparty a Number of Shares Adjustment Notice, the effect of which is to reduce the Number of Shares by the number of shares specified in that notice with aggregate proceeds equal to the Additional Funds the Seller provided.

Each Seller agreed to waive any redemption rights with respect to any Recycled Shares in connection with the Business Combination and agreed not to vote the shares it purchases pursuant to the Forward Purchase Agreement in favor of the Business Combination. Each Forward Purchase Agreement has been structured, and all activity in connection with such agreement has been undertaken, to comply with the requirements of all tender offer regulations applicable to the Business Combination, including Rule 14e-5 under the Securities Exchange Act of 1934.

Extension Amendment Proposal

On February 14, 2023, at a special meeting of stockholders of the Company the stockholders voted upon and approved amendments (the “Extension Amendment Proposal”) to the Company’s Amended and Restated Certificate of Incorporation (the “Charter”) to permit the Board of Directors of the Company to extend the date by which the Company has to consummate a business combination twelve (12) times for an additional one (1) month each time from February 17, 2023 to February 17, 2024 (the termination date as ay be so extended, the “Extended Date”). The Company’s stockholders also approved an amendment (the “Trust Amendment Proposal”) to the Company’s investment management agreement, dated as of February 14, 2022 (the “Trust Agreement”) by and between the Company and Continental Stock Transfer & Trust Company, to extend the Combination Period under the Trust Agreement for a period of 12 months from February 17, 2023 to February 17, 2024 and to the extent the Charter is amended to extend the Combination Period under the Trust Agreement shall be extended for a period of 12 months from February 17, 2023 to February 17, 2024 and to the extent the Charter is amended to extend the Combination Period by depositing into the trust account $0.06 per share for each issued and outstanding Public Share that has not been redeemed for each one-month extension (each an “Extension Payment”). The Company’s stockholders also approved an amendment to the Charter removing the requirement that the Company will not redeem its Public Shares in an amount that would cause its net tangible assets to be less than $5,000,001.

Prior to the special meeting of stockholders to amend the Charter and the Trust Agreement, the Company had the right to extend the Combination Period from February 17, 2023 to August 17, 2023 (i.e., 18 months from the consummation of the Company’s Initial Public Offering). The only way to extend the Combination Period from February 17, 2023 to August 17, 2023 for two (2) successive three-month periods without the need for a separate stockholder vote under the current Charter and Trust Agreement is for the Company’s sponsor or its affiliates or designees, upon five days’ advance notice, to deposit into the Trust Account $1,725,000 each time (i.e., $0.20 per issued and outstanding Public Share), on or prior to February 17, 2023 and May 17, 2023, respectively.

As a result of the approval of the Extension Amendment Proposal and the Trust Amendment Proposal, the Company had the right to extend the Combination Period twelve (12) times for an additional one (1) month each time, from February 17, 2023 to February 17, 2024, provided that the Extension Payment of $0.06 per Public Share that has not been redeemed is deposited into the Trust Account each time at each extension election. The amount of funds deposited into the Trust account in connection with extensions of time to complete the Business Combination will be different than what would have been deposited into that account in the absence of the approval of the foregoing Proposals. During the six months ended June 30, 2023, the Company made five extension payments totaling $1,634,120.

In connection with the stockholders' vote at the special meeting on February 14, 2023, 3,177,941 shares were tendered for redemption. As a result of the redemption, the Company had 8,023,765 shares of common stock outstanding consisting of 5,867,515 shares of Class A common stock (including 5,447,059 shares of Class A common stock that are subject to redemption) and 2,156,250 shares of Class B common stock.

Going Concern and Management's Plan

As of June 30, 2023 and December 31, 2022, the Company had $89,098 and $98,254 in cash, respectively, and a working capital deficit of $3,129,077 and $903,258, respectively. The Company incurred significant costs in pursuit of its acquisition plans. In connection with the Company's assessment of going concern considerations in accordance with Accounting Standards Update ("ASU") 2014-15, *Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*, management has determined those conditions raised substantial doubt about the Company's ability to continue as a going concern within the earlier of the Combination Period, which will end on February 17, 2024, or one year after the date that the condensed consolidated financial statements are issued had the Business Combination not been consummated.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited financial statements of the Company are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The accompanying unaudited financial statements should be read in conjunction with the Company's Annual Report on Form 10-K/A as filed with the SEC on April 24, 2023. The interim results for the periods presented are not necessarily indicative of the results to be expected for the year ending December 31, 2023 or for any future interim periods.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. The Company has elected to implement the aforementioned exemptions.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of June 30, 2023 and December 31, 2022. The Company had operating cash (i.e. cash held outside the Trust Account) of $89,098 and $98,254 as of June 30, 2023 and December 31, 2022, respectively.

Investments Held in Trust Account

As of June 30, 2023 and December 31, 2022, the assets held in the Trust Account were comprised of U.S. government securities, within the meaning set forth in Section 2(a) (16) of the Investment Company Act, with maturities of 185 days or less, or investments in money market funds that invest in U.S. government securities and generally have a readily determinable fair value, or a combination thereof. When the Company's investments held in the Trust Account are comprised of U.S. government securities, the investments are classified as trading securities. When the Company's investments held in the Trust Account are comprised of money market funds, the investments are recognized at fair value. Trading securities and investments in money market funds are presented on the balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities are reported in the statements of operations. The estimated fair values of investments held in the Trust Account are determined using available market information. The Company had $58,105,401 and $88,824,794 in investments held in the Trust Account as of June 30, 2023 and December 31, 2022, respectively. The decrease in the Trust Account from December 31, 2022 to June 30, 2023 was due to redeeming stockholders that were paid $32,707,627, as discussed below, and $853,260 which was withdrawn to pay taxes. This amount was partially offset by extension payments made to the Trust Account in the amount of $1,634,120, which were funded by a Second Promissory Note, as discussed in Note 5, and investment income earned of $1,207,374.

Class A Common Stock Subject to Possible Redemption

As discussed in Note 3, all of the 8,625,000 shares of Class A common stock sold as part of the Units in the Initial Public Offering contain a redemption feature which allows for the redemption of such Public Shares in connection with the Company's liquidation, if there is a stockholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Amended and Restated Certificate of Incorporation. In accordance with SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480, conditionally redeemable Class A common stock (including shares of Class A common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity's equity instruments, are excluded from the provisions of ASC 480. As discussed in Note 1, Description of Organization, and in connection with the stockholders' vote at the special meeting on February 14, 2023, 3,177,941 shares were tendered for redemption, resulting in $32,707,627 paid from the Trust Account to redeeming stockholders. As a result of the redemption, as of June 30, 2023, the Company had 5,447,059 shares of Class A common stock subject to possible redemption presented at redemption value as temporary equity, outside of the stockholders' (deficit) equity section of the Company's balance sheet that are subject to redemption.

Under ASC 480, the Company has elected to recognize changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Such changes are reflected in additional paid-in capital, or in the absence of additional capital, in accumulated deficit. The redemption value of the redeemable common stock as of June 30, 2023 increased as the income earned on the Trust Account exceeds the Company's expected tax obligations plus up to $100,000 to pay dissolution expenses (see Note 1). As such, the Company recorded an increase in the carrying amount of the redeemable common stock of $$2,338,694 during the six months ended June 30, 2023.

As of June 30, 2023 and December 31, 2022, the Class A Common Stock reflected on the balance sheets are reconciled in the following table:

Class A common stock subject to possible redemption at December 31, 2022	**$**	**88,297,794**
Plus:		
Redemption of Class A common stock subject to redemption		(32,707,627)
Remeasurement of carrying value to redemption value		521,015
Class A common stock subject to possible redemption at March 31, 2023	**$**	**56,111,182**
Plus:		
Remeasurement of carrying value to redemption value		1,817,679
Class A common stock subject to possible redemption at June 30, 2023	**$**	**57,928,861**

Offering Costs associated with the Initial Public Offering

Offering costs consisted of legal, accounting, underwriting fees and other costs incurred through the Initial Public Offering that were directly related to the Initial Public Offering. Offering costs are allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs associated with derivative warrant liabilities are expensed as incurred, presented as non-operating expenses in the statement of operations. Offering costs associated with the Class A common stock were charged to stockholders' equity (deficit) upon the completion of the Initial Public Offering.

Income Taxes

The Company complies with the accounting and reporting requirements of ASC Topic 740, *Income Taxes* ("ASC 740"), which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company's management determined the United States is the Company's only major tax jurisdiction. The Company recognizes accrued interest and penalties related to unrecognized tax benefits, if any, as income tax expense. There were no unrecognized tax benefits as of June 30, 2023 and December 31, 2022 and no amounts accrued for interest and penalties. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

See Note 9 for additional information on income taxes for the periods presented.

Net Income (Loss) Per Share of Common Stock

Net income (loss) per share of common stock is computed by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period. Remeasurement associated with the redeemable shares of Class A common stock is excluded from net income (loss) per share as the redemption value approximates fair value. Therefore, the earnings per share calculation allocates income and losses shared pro rata between Class A and Class B common stock. As a result, the calculated net income (loss) per share is the same for Class A and Class B common stock. The Company has not considered the effect of the Public Warrants (as defined in Note 7) and Private Placement Warrants (as defined in Note 7) to purchase an aggregate of 9,002,331 shares in the calculation of diluted net income (loss) per share, since the exercise of the warrants are contingent upon the occurrence of future events.

The following table reflects the calculation of basic and diluted net income (loss) per common share (in dollars, except per share amounts):

	Three Months Ended June 30, 2023		Three Months Ended June 30, 2022		Six Months Ended June 30, 2023		Six Months Ended June 30, 2022	
	Class A	**Class B**	**Class A**	**Class B**	**Class A**	**Class B**	**Class A**	**Class B**
Basic and diluted net income (loss) per share:								
Numerator:								
Net income (loss)	183,201	67,325	(122,904)	(30,726)	(193,818)	(62,773)	(236,732)	(77,756)
Denominator:								
Basic and diluted weighted average shares outstanding	5,867,515	2,156,250	8,265,000	2,156,250	6,657,611	2,156,250	6,337,707	2,081,665
Basic and diluted net income (loss) per share	**$ 0.03**	**$ 0.03**	**$ (0.01)**	**$ (0.01)**	**$ (0.03)**	**$ (0.03)**	**$ (0.04)**	**$ (0.04)**

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of a cash account in a financial institution which, at times may exceed the Federal depository insurance coverage of $250,000. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Fair Value of Financial Instruments

The Company applies ASC Topic 820, *Fair Value Measurement* ("ASC 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances.

The carrying amounts reflected in the accompanying balance sheets for current assets and current liabilities approximate fair value due to their short-term nature.

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

See Note 8 for additional information on assets and liabilities measured at fair value.

Recent Accounting Standards

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

NOTE 3. INITIAL PUBLIC OFFERING

The registration statement for the Company's Initial Public Offering was declared effective on February 14, 2022. On February 17, 2022, the Company consummated the Initial Public Offering of 8,625,000 Units, including 1,125,000 Units issued pursuant to the exercise of the underwriters' over-allotment option in full, generating gross proceeds of $86,250,000. Each Unit consists of one share of Class A common stock, and one redeemable warrant ("Public Warrant"). Each Public Warrant entitles the holder to purchase one share of Class A common stock at an exercise price of $11.50 per whole share (see Note 7).

NOTE 4. PRIVATE PLACEMENT

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 377,331 Private Placement Units at a price of $10.00 per Private Placement Unit in the Private Placement to the Sponsor, generating gross proceeds of $3,773,310, which was transferred to the Trust Account by the Sponsor. The Private Placement Units are identical to the Units sold in the Initial Public Offering, except for the warrants included in the Private Placement Units (the "Private Placement Warrants"). If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Placement Units will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless.

NOTE 5. RELATED PARTY TRANSACTIONS

Founder Shares

On March 15, 2021, the Sponsor purchased 2,875,000 shares of Class B common stock (the "Founder Shares") for an aggregate purchase price of $25,000, or approximately $0.012 per share. On March 15, 2021, the Sponsor transferred 20,000 Founder Shares each to the Company's Chief Executive Officer and Chief Operating Officer, as well as 2,500 Founder Shares to each of the Company's Chief Scientific Officer and scientific advisor. On October 27, 2021, the Sponsor transferred 10,000 Founder Shares to the Company's Chief Executive Officer, 17,500 Founder Shares to the Company's Chief Scientific Officer, 30,000 Founder Shares to each of the Company's two independent directors, 25,000 Founder Shares to each of the Company's two independent directors, 15,000 Founder Shares to the Company's strategic and scientific advisor and 5,500 Founder Shares to the Company's scientific advisor. In addition, the Sponsor has separately agreed to transfer to the Company's Chief Operating Officer an aggregate of 30,000 of its Founder Shares at the time of a Business Combination. On November 19, 2021, the Company canceled 718,750 Founder Shares due to a downsize of the offering. All shares and associated amounts have been retroactively restated to reflect the surrender of these shares (see Note 7). As of June 30, 2023 and December 31, 2022, the Sponsor owned 2,156,250 shares of Class B common stock. The Founder Shares were subject to a risk of forfeiture of up to 281,250 shares if the underwriters did not exercise their over-allotment option in full. However, as the underwriters' over-allotment option was exercised in full at the closing of the Initial Public Offering in February 2022, 281,250 of such shares held by the Sponsor will not be subject to forfeiture.

The initial stockholder has agreed not to transfer, assign or sell any of the Class B common stock (except to certain permitted transferees) until, with respect to 50% of the Class B common stock, the earlier of (i) six months after the date of the consummation of a Business Combination, or (ii) the date on which the closing price of the Company's common stock equals or exceeds $12.50 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period commencing after a Business Combination, with respect to the remaining 50% of the Class B common stock, upon six months after the date of the consummation of a Business Combination, or earlier, in each case, if, subsequent to a Business Combination, the Company consummates a subsequent liquidation, merger, stock exchange or other similar transaction which results in all of the Company's stockholders having the right to exchange their common stock for cash, securities or other property.

Promissory Note - Related Party

On February 23, 2021, the Company issued an unsecured promissory note (the "Promissory Note") to the Sponsor, pursuant to which the Company may borrow up to an aggregate principal amount of $300,000, to be used for payment of costs related to the Initial Public Offering. The Promissory Note is non-interest bearing and payable on the earlier of (i) March 31, 2022 or (ii) the consummation of the Initial Public Offering, pursuant to that Amendment to Promissory Note dated February 4, 2022. As of December 31, 2021, the Company had borrowed $174,147 under the Promissory Note with the Sponsor, with an additional $9,606 being borrowed during the three months ended March 31, 2022. Following the Initial Public Offering of the Company on February 17, 2022, a total of $183,753 under the Promissory Note was repaid on February 25, 2022.

On October 12, 2022, the Company issued a second unsecured promissory note (the "Second Promissory Note") to the Sponsor, pursuant to which the Company may borrow up to an aggregate principal amount of $500,000, to be used for payment of costs related to the initial Business Combination. The Second Promissory Note is non-interest bearing and payable on the earlier of (i) August 17, 2023 or (ii) the date the Company consummates an initial Business Combination. As of December 31, 2022, the Company had borrowed $250,000 under the Second Promissory Note with the Sponsor.

On March 1, 2023, the Company restated and amended the Second Promissory Note, pursuant to which the Sponsor shall loan to the Company up to $2,000,000 to pay, among other things, any extension fees and transaction costs associated with any extensions of time needed for the Company to consummate its business combination. For the purposes of clarity, the Company and the Sponsor hereby agreed that the certain instrument dated as of October 12, 2022 pursuant to which the Sponsor purported to loan up to $500,000 to the Company was hereby canceled and deemed void ab initio. The Note bears no interest and is repayable in full upon the earlier of (a) February 17, 2024 or (b) the date of the consummation of the Company's initial business combination.

On April 27, 2023, the Company issued an amended and restated promissory note (the "Note"), pursuant to which the Sponsor shall loan to the Company up to $4,500,000 to pay, among other things, any extension fees and transaction costs associated with any extensions of time needed for the Company to consummate its business combination. For the purposes of clarity, the Company and the Sponsor hereby agreed that the certain instrument dated as of March 1, 2023 pursuant to which the Sponsor purported to loan up to $2,000,000 to the Company was hereby canceled and deemed void ab initio. The Note bears no interest and is repayable in full upon the earlier of (a) February 17, 2024 or (b) the date of the consummation of the Company's initial business combination.

During the six month period ended June 30, 2023, the Company drew down an additional aggregate amount of $2,200,000 from the Note. The proceeds were used to fund the Company's extension payments of $1,634,120, and the rest was used for operating capital. As of June 30, 2023 and December 31, 2022, the Company had borrowings of $2,450,000 and $250,000, respectively, under the Note with the Sponsor.

Administrative Support Agreement

The Company entered into an agreement with the Sponsor, commencing on the effective date of the Initial Public Offering, pursuant to which the Sponsor has agreed to make available to the Company certain general and administrative services, including office space, utilities and administrative services, as the Company may require from time to time. The Company has agreed to pay the Sponsor $10,000 per month for these services. Upon the completion of an initial Business Combination, the Company will cease paying these monthly fees. For the three and six months ended June 30, 2023, the Company incurred $30,000 and $60,000 of administrative support expenses, respectively. For the three and six months ended June 30, 2022, the Company incurred $30,000 and $45,000, respectively, of administrative support expenses. As of June 30, 2023 and December 31, 2022, $0 and $10,000, respectively, related to this agreement were recorded in accrued expenses - related party in the accompanying balance sheets.

Related Party Loans

In order to finance transaction costs in connection with a Business Combination, the Company's Sponsor or an affiliate of the Sponsor, or the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). Such Working Capital Loans would be evidenced by promissory notes. The notes would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to $1,500,000 of notes may be converted upon consummation of a Business Combination into additional Private Placement Units at a price of $10.00 per Unit. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans.

If the Company anticipates that it may not be able to consummate the initial Business Combination within 12 months, the Company may, by resolution of the board if requested by the Sponsor, extend the period of time to consummate a Business Combination up to two (2) times, each by an additional three months (for a total of up to 18 months to complete a Business Combination), subject to the Sponsor depositing additional funds into the Trust Account as set out below. Pursuant to the terms of the Amended and Restated Certificate of Incorporation and the trust agreement to be entered into between the Company and Continental Stock Transfer & Trust Company, in order for the time available for the Company to consummate the initial Business Combination to be extended, the Sponsor or its affiliates or designees, upon five (5) business days advance notice prior to the applicable deadline, must deposit into the Trust Account $1,725,000 with the underwriters' over-allotment option exercised in full ($0.20 per unit), on or prior to the date of the applicable deadline, for each of the available three month extensions, providing a total possible Business Combination period of 18 months at a total payment value of $3,450,000 with the underwriters' over-allotment option exercised in full ($0.40 per unit) (the "Extension Loans"). Any such payments would be made in the form of non-interest bearing loans. If the Company completes its initial Business Combination, the Company will, at the option of the Sponsor, repay the Extension Loans out of the proceeds of the Trust Account released to the Company or convert a portion or all of the total loan amount into units at a price of $10.00 per unit, which units will be identical to the Private Placement Units. If the Company does not complete a Business Combination, the Company will repay such loans only from funds held outside of the Trust Account. Furthermore, the letter agreement with the Initial Stockholders contains a provision pursuant to which the Sponsor will agree to waive its right to be repaid for such loans to the extent there is insufficient funds held outside of the Trust Account in the event that the Company does not complete a Business Combination. The Sponsor and its affiliates or designees are not obligated to fund the Trust Account to extend the time for the Company to complete the initial Business Combination. The Public Stockholders will not be afforded an opportunity to vote on the extension of time to consummate an initial Business Combination from 12 months to 18 months described above or redeem their shares in connection with such extensions.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Registration and Shareholder Rights Agreement

The holders of the Founder Shares, as well as the holders of the Private Placement Units (and underlying securities) and any securities issued in payment of Working Capital Loans made to the Company, will be entitled to registration rights pursuant to an agreement signed on the effective date of the Initial Public Offering. The holders of a majority of these securities are entitled to make up to three demands that the Company register such securities. The holders of a majority of these securities can elect to exercise these registration rights at any time after the Company consummates a Business Combination. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the consummation of a Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements. Notwithstanding anything to the contrary, under FINRA Rule 5110, the underwriters and/or their designees may only make a demand registration (i) on one occasion and (ii) during the five-year period beginning on the effective date of the registration statement relating to the Initial Public Offering, and the underwriters and/or their designees may participate in a "piggy-back" registration only during the seven-year period beginning on the effective date of the registration statement relating to the Initial Public Offering.

Underwriting Agreement

Simultaneously with the Initial Public Offering, the underwriters fully exercised the over-allotment option to purchase an additional 1,125,000 Units at an offering price of $10.00 per Unit for an aggregate purchase price of $11,250,000.

The underwriters were paid a cash underwriting discount of $0.20 per Unit, or $1,078,125 in the aggregate, upon the closing of the Initial Public Offering. In addition, $0.35 per Unit, or $2,803,125 in the aggregate will be payable to the underwriters for deferred underwriting commissions. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

NOTE 7. STOCKHOLDERS' DEFICIT

Preferred stock — The Company is authorized to issue 1,250,000 shares of preferred stock with a par value of $0.0001 per share with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of June 30, 2023 and December 31, 2022 there were no shares of preferred stock issued or outstanding.

***Class A common stock* —** The Company is authorized to issue 125,000,000 shares of Class A common stock with a par value of $0.0001 per share. Holders of Class A common stock are entitled to one vote for each share. As of June 30, 2023, there were 420,456 shares of Class A common stock issued and outstanding, excluding 5,447,059 shares of Class A common stock subject to possible redemption. As of December 31, 2022, there were 420,456 shares of Class A common stock issued and outstanding, excluding 8,625,000 shares of Class A common stock subject to possible redemption.

***Class B common stock* —** The Company is authorized to issue 12,500,000 shares of Class B common stock with a par value of $0.0001 per share. Holders of Class B common stock are entitled to one vote for each share. As of June 30, 2023 and December 31, 2022, there were 2,156,250 shares of Class B common stock issued and outstanding.

On March 15, 2021, the Sponsor purchased 2,875,000 shares of Class B common stock for an aggregate purchase price of $25,000, or approximately $0.012 per share. On November 19, 2021, the Company canceled 718,750 shares of Class B common stock. All shares and associated amounts have been retroactively restated to reflect the surrender of these shares.

***Warrants* —** As of June 30, 2023 and December 31, 2022, there were 8,625,000 Public Warrants and 377,331 Private Placement Warrants outstanding, respectively. The Public Warrants may only be exercised for a whole number of Class A Common Stock. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the consummation of a Business Combination or (b) 12 months from the closing of the Initial Public Offering. No Public Warrants will be exercisable for cash unless the Company has an effective and current registration statement covering the common stock issuable upon exercise of the Public Warrants and a current prospectus relating to such common stock. Notwithstanding the foregoing, if a registration statement covering the common stock issuable upon the exercise of the Public Warrants is not effective within 90 days from the consummation of a Business Combination, the holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise the Public Warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. If an exemption from registration is not available, holders will not be able to exercise their Public Warrants on a cashless basis. The Public Warrants will expire five years from the consummation of a Business Combination or earlier upon redemption or liquidation.

The Company may call the warrants for redemption, in whole and not in part, at a price of $0.01 per warrant:

- at any time while the Public Warrants are exercisable,

- upon not less than 30 days' prior written notice of redemption to each Public Warrant holder,

- if, and only if, the reported last sale price of the common stock equals or exceeds $18 per share, for any 20 trading days within a 30-day trading period ending on the third trading day prior to the notice of redemption to Public Warrant holders, and

- if, and only if, there is a current registration statement in effect with respect to the common stock underlying such warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

The Private Placement Warrants are identical to the Public Warrants, except that the Private Placement Warrants and the common stock issuable upon the exercise of the Placement Warrants will not be transferable, assignable or salable until after the completion of a Business Combination, subject to certain limited exceptions.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis." The exercise price and number of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuances of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with respect to such warrants. Accordingly, the warrants may expire worthless.

The Company accounts for the Public Warrants and Private Placement Warrants in accordance with the guidance contained in ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). Such guidance provides that the warrants described above are not precluded from equity classification. Equity-classified contracts are initially measured at fair value (or allocated value). Subsequent changes in fair value are not recognized as long as the contracts continue to be classified in equity.

NOTE 8. FAIR VALUE MEASUREMENTS

The following table presents information about the Company's financial assets that are measured at fair value on a recurring basis as of June 30, 2023 and December 31, 2022, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Amount at Fair Value	Level 1	Level 2	Level 3
June 30, 2023				
Assets				
Investments held in Trust Account:				
U.S. Treasury Securities	$ 58,105,401	$ 58,105,401	$ —	$ —
December 31, 2022				
Assets				
Investments held in Trust Account:				
U.S. Treasury Securities	$ 88,824,794	$ 88,824,794	$ —	$ —

NOTE 9. INCOME TAXES

The Company's effective tax rate for the for the three and six months ended June 30, 2023, was 3.2% and (78.8)%. The Company's effective tax rate for the three and six months ended June 30, 2022 was 0.0%. The Company's effective tax rate differs from the statutory income tax rate of 21% primarily due to non-deductible operating costs. The Company has historically calculated the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate for the full fiscal year to income or loss for the reporting period.

NOTE 10. SUBSEQUENT EVENTS

Other than the recent developments mentioned in Note 1, the Company did not identify any subsequent events.

ENVIRONMENTAL SOLUTIONS GROUP HOLDINGS LIMITED

Part I – Financial Information

Item 1. Financial Statements

Consolidated statement of financial position (unaudited) as of June 30, 2023 and December 31, 2022

	Note	June 30, 2023 US$	December 31, 2022 US$
ASSETS			
Current assets			
Cash and cash equivalents		1,157,621	252,399
Trade and other receivables	10	1,521,564	815,128
Inventories	12	67,899	221,151
		2,747,084	1,288,678
Non-current assets			
Property, plant and equipment, net		21,855,181	22,493,283
Intangible assets, net	11	2,053,309	1,845,912
		23,908,490	24,339,195
Total assets		**26,655,574**	**25,627,873**
LIABILITIES			
Current liabilities			
Trade and other payables	13	4,576,313	4,285,345
Lease liabilities	15	184,853	185,764
Borrowings	14	6,182,219	5,427,538
		10,943,385	9,898,647
Non-current liabilities			
Lease liabilities	15	2,022,994	2,071,571
Borrowings (non-current)	14	239,307	371,103
Deferred tax liabilities	16	202,000	163,000
		2,464,301	2,605,674
Total liabilities		**13,407,686**	**12,504,321**
Net assets		**13,247,888**	**13,123,552**
EQUITY			
Share Capital	17	**10,003**	**10,000**
Accumulated losses		(5,635,844)	(5,006,590)
Other reserves		3,422,799	3,422,799
Share premium reserve		753,587	-
Exchange Reserves		(460,481)	(460,481)
Revaluation Surplus		15,157,824	15,157,824
Total equity		13,247,888	13,123,552

The accompanying notes are an integral part of the unaudited condensed financial statements

Consolidated statement of profit or loss (unaudited) for the six month periods ended June 30, 2023 and 2022

	Note	June 30, 2023 US$	June 30, 2022 US$
Revenue	4	3,394,313	2,973,790
Other income	5	189,335	398,561
Cost of inventory		(407,291)	(808,747)
Logistics costs		(792,079)	(429,691)
Depreciation of property, plant and equipment		(758,519)	(840,916)
Amortization of intangible assets		(426,515)	(325,011)
Employee benefits expense	7	(639,060)	(498,316)
Finance expense	8	(158,912)	(103,447)
Other operating expenses	6	(991,526)	(1,053,437)
Loss before income tax		(590,254)	(687,214)
Income tax credit/(expense)	9	(39,000)	(34,000)
Net loss and comprehensive loss		(629,254)	(721,214)

The accompanying notes are an integral part of the unaudited condensed financial statements

Consolidated statement of changes in equity (unaudited) for the six month periods ended June 30, 2023 and 2022

	Share capital US$	Share Premium US$	Revaluation reserve US$	Exchange reserve US$	Other reserves US$	Share Subscription US$	Accumulated losses US$	Total equity US$
2022								
Beginning of financial year	10,000	-	7,140,955	(513,218)	1,822,799	-	(2,614,778)	5,845,758
Issuance of new shares	-	-	-	-	1,600,000	5,000,000	-	6,600,000
Less : Share subscription receivable	-	-	-	-	-	(5,000,000)	-	(5,000,000)
Loss for the period	-	-	-	-	-	-	(721,214)	(721,214)
Balance as of June 30, 2022	10,000	-	7,140,955	(513,218)	3,422,799	-	(3,335,992)	6,724,544
2023								
Beginning of financial year	10,000	-	15,157,824	(460,481)	3,422,799		(5,006,590)	13,123,552
Issuance of new shares	3	753,587	-	-	-	-	-	753,590
Loss for the period	-	-	-	-	-	-	(629,254)	(629,254)
Balance as of June 30, 2023	10,003	753,587	15,157,824	(460,481)	3,422,799	-	(5,635,844)	13,247,888

The accompanying notes are an integral part of the unaudited condensed financial statements

Consolidated statement of cash flows (unaudited) for the six month periods ended June 30, 2023 and 2022

	Note	June 30, 2023 US$	June 30, 2022 US$
Cash flows from operating activities			
Loss before income tax		**(590,254)**	(687,214)
Adjustments for:			
- Depreciation of property, plant and equipment		**758,519**	840,916
- Amortisation of intangible assets	11	**426,515**	325,011
- Interest income	5	**(12,002)**	(2)
- Interest expense	8	**158,912**	103,447
- Loss on disposal of property, plant and equipment		**1,795**	-
- Foreign exchange adjustment		**312,051**	180,676
		1,055,536	762,834
Changes in working capital:			
- Trade and other receivables		**(687,016)**	(362,139)
- Inventories		**153,252**	187,204
- Trade and other payables		**167,205**	179,149
Net cash generated from operating activities		**688,977**	767,048
Cash flows from investing activities			
Purchase of property, plant and equipment		**(115,334)**	(34,724)
Proceeds from disposal of property, plant and equipment		**1,352**	-
Additions to intangible assets		**(633,912)**	(416,299)
Interest received		**12,002**	2
Net cash used in investing activities		**(735,892)**	(451,021)
Cash flows from financing activities			
Proceeds from bank borrowings		**2,246,518**	-
Repayment of bank borrowings		**(1,831,341)**	(1,042,640)
Shares issuance		**753,590**	1,600,000
Repayments of lease liabilities		**(57,718)**	(114,230)
Interest paid		**(158,912)**	(103,447)
Net cash provided by financing activities		**952,137**	339,683
Net increase in cash and cash equivalents		**905,222**	655,710
Cash and cash equivalents			
Beginning of the financial period		**252,399**	137,014
End of the financial period		**1,157,621**	792,724

The accompanying notes are an integral part of the unaudited condensed financial statements

Reconciliation of liabilities arising from financing activities (unaudited)

	Lease liabilities	Interest-bearing bank and other borrowings	Total
	US$	US$	US$
At January 1 2022	**1,150,764**	**7,347,025**	**8,497,789**
Changes from financing cash flows:			
Repayment of bank loans	-	(1,537,495)	(1,537,495)
Principal element of lease payments	(186,397)	-	(186,397)
Borrowing cost paid	(28,558)	(217,801)	(246,359)
Total change from financing cash flows	(214,955)	(1,755,296)	(1,970,251)
Other changes:			
Exchange adjustments	(3,850)	(10,889)	(14,739)
Lease modification	1,296,818	-	1,296,818
Interest expenses	28,558	217,801	246,359
Total other changes	1,321,526	206,912	1,528,438
At December 31, 2022	**2,257,335**	**5,798,641**	**8,055,976**
Changes from financing cash flows:			
Proceeds from bank borrowings	-	2,246,518	2,246,518
Repayment of bank loans	-	(1,831,341)	(1,831,341)
Principal element of lease payments	(57,718)	-	(57,718)
Borrowing cost paid	(28,492)	(130,420)	(158,912)
Total change from financing cash flows	(86,210)	284,757	198,547
Other changes:			
Exchange adjustments	-	207,708	207,708
Lease modification	8,230	-	8,230
Interest expenses	28,492	130,420	158,912
Total other changes	36,722	338,128	374,850
At June 30, 2023	**2,207,847**	**6,421,526**	**8,629,373**

The accompanying notes are an integral part of the unaudited condensed financial statements

General information and reorganization transactions

Environmental Solutions Group Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") was incorporated on June 14, 2022 and domiciled in the Cayman Islands. The address of its registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands.

Environmental Solutions Asia Holdings Limited ("ES BVI"), a wholly-owned subsidiary of the Company, was incorporated on June 29, 2022 and domiciled in the British Virgin Islands with its registered office at Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands.

Environmental Solutions Asia Pte Ltd ("ESA"), a wholly-owned subsidiary of ES BVI, was incorporated and domiciled in Singapore. The address of its registered office is at 101 Tuas South Avenue 2, Singapore 637226.

The principal activities of the Group are those of waste management, recycling and sale of precious metals.

1. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost convention, except for leasehold land and buildings which are measured at fair value.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Basis of Consolidation

The consolidated financial statements are presented in United States Dollars ("US$"), which is the Group's functional currency. All financial information presented in United States Dollars has been rounded to the nearest dollar, unless otherwise indicated.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Company the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

2. Significant accounting policies (continued)

2.2 Basis of Consolidation (continued)

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Company's voting rights and potential voting rights.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

2. Significant accounting policies (continued)

2.3 Revenue recognition (continued)

Revenue from contracts with customers

(a) Rendering of services

Revenue from rendering of services is recognized when the Group satisfies the performance obligation at a point in time, generally when the significant acts have been completed and when transfer of control occurs, or for services that are not significant, transactions revenue is recognized as the services are provided. The Group's primary service consists of collecting and disposing of industrial wastes for its customers.

(b) Sale of goods

Revenue from sale of goods is recognized at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Other revenue

Interest income

Interest income is recognized using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

Contract assets

The contract assets are for the Group's rights to consideration for work completed but not billed at the reporting date on its contracts; costs incurred to obtain or fulfil a contract with a customer; and any impairment losses recognized in the reporting year. The contract assets are transferred to the receivables when the right to payment becomes unconditional.

2. Significant accounting policies (continued)

2.4 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to non-monetary assets are deducted against the carrying amount of the non-monetary assets.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment other than leasehold land and buildings are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Leasehold land and buildings are measured at fair value less accumulated depreciation and impairment losses recognized after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is credited to the property revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the Statement of Profit or Loss and Other Comprehensive Income, in which case the increase is recognized in the statement of profit or loss.

A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the property revaluation reserve to accumulated losses is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, any revaluation reserve relating to that particular asset being sold is transferred to retained profits.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	Over the lease term period ranging from 2 to 30 years
Plant and equipment	3 to 5 years
Machineries	2 to 10 years
Renovation	5 years
Motor vehicles	10 years
Furniture and fittings	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognized in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in profit or loss.

2. Significant accounting policies (continued)

2.6 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite useful lives are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Amortization is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Useful lives
Software	3 years

2.7 Borrowing costs

Borrowing costs are recognized in profit or loss using the effective interest method.

2.8 Impairment of non-financial assets

Intangible assets, property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired or when annual impairment testing for an asset is required.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

The difference between the carrying amount and recoverable amount is recognized as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

A reversal of impairment loss for an asset is credited to profit or loss in the period in which it arises.

2.9 Financial assets

(a) Classification and measurement

The Group classifies its financial assets at amortized cost.

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of the financial assets not a fair value through profit or loss, transactions costs that are directly attributable to the acquisition of the financial asset.

2.9 Financial assets (continued)

At subsequent measurement

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade and other receivables. The ECL on these assets is assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance as equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition for which the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Impairment of financial assets (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- An actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, or the credit default swap prices for the debtor;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) Significant financial difficulty of the issuer or the borrower;

(b) A breach of contract, such as a default or past due event;

(c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender(s) would not otherwise consider;

(iii) Credit-impaired financial assets

(d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

(e) The disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Impairment of financial assets (continued)

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure to default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default representing the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The groups are regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortized cost of the financial asset.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset.

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized in other comprehensive income relating to that asset is reclassified to profit or loss.

2.10 Financial Liabilities

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

2. Significant accounting policies (continued)

2.10 Financial Liabilities (continued)

(a) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(b) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.11 Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group recognizes a right-of-use asset and lease liability at the date at which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within “Property, plant and equipment”.

2. Significant accounting policies (continued)

2.11 Leases (continued)

Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that is based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain the option will be exercised; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and accounts for these as one single lease component.

Lease liability is measured at amortized cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents lease liabilities as a separate line item on the statement of financial position.

Short-term and low-value leases.

The Group has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value.

2. Significant accounting policies (continued)

2.11 Leases (continued)

Payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognize those lease payments in profit or loss in the periods that triggered those lease payments.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2. Significant accounting policies (continued)

2.11 Leases (continued)

When the Group is the lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term except for investment properties measured under the fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognized on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognized as income when they arise.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in consideration of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2. Significant accounting policies (continued)

2.12 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is calculated using the specific identification method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, damaged, obsolete and slow moving items are written-down to the lower of cost and net realizable value.

2.13 Income taxes

Income tax represents the sum of current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:-

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Significant accounting policies (continued)

2.13 Income Taxes (continued)

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognized directly in equity.

2. Significant accounting policies (continued)

2.13 Income taxes (continued)

The Group accounts for investment tax credits similar to accounting for other tax credits where a deferred tax asset is recognized for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized.

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.14 Employee benefits

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Short-term employees benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2. Significant accounting policies (continued)

2.15 Currency translation

The financial statements are presented in US$, which is the functional currency of the Group.

Transactions in a currency other than the United States Dollar ("foreign currency") are translated into the United States Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognized in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

All foreign exchange gains and losses impacting profit or loss are presented in statement of comprehensive income within "Other operating expenses".

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to any insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

2.17 Share capital

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

i. On November 29, 2022, the Company received an application for shares from Quek Leng Chuang ("Mr. Quek"), pursuant to which the Company issued and allotted 1,660 unpaid ordinary shares (the "Shares") of the Company (the "Unpaid Shares") to Mr. Quek at a consideration of US$5,000,000 (the "Consideration"). Mr. Quek after the allotment held 5,820 Shares (comprising 4,160 fully paid Shares and 1,660 Unpaid Shares in the Company), representing 58.20% of the total issued Shares in the Company;

ii. On March 17, 2023, Mr. Quek as vendor entered into share purchase agreements with two share investors, pursuant to which Mr. Quek agreed to sell, and each Investor, agreed to purchase 250 Shares (the "Sale Shares") from Mr. Quek for a consideration of S$500,000 each (equivalent to approximately US$376,790) (the "Share Transfers");

2. Significant accounting policies (continued)

2.17 Share capital (continued)

iii. On the date of the Share Transfers, Mr. Quek has received the full consideration for the Sale Shares from the Purchasers and paid the same amount to the Company on the same day, and following the receipt of S$1,000,000 by the Company from Mr. Quek, the Board has resolved that the Sale Shares shall be recognized as fully paid Shares from the date thereon and be reflected in all relevant documents filed to the Registry of Companies of the Cayman Islands, governmental and regulatory authorities and all relevant corporate documents of the Company;

iv. Immediately after the completion of the Share Transfers, Mr. Quek holds 5,320 Shares (comprising of 4,160 fully paid Shares and 1,160 Unpaid Shares in the Company), representing 53.20% of the total issued Shares in the Company. The remaining amount of the Consideration for the 1,660 Unpaid Shares, i.e., US$4,248,518 (the "Remaining Consideration") remains unpaid;

v. On May 5, 2023, the Company received a notice (the "Notice") from Mr. Quek stating that Mr. Quek does not intend to transfer the Remaining Consideration to the Company in payment of the 1,160 Unpaid Shares;

vi. Accordingly, the Company proposes to exercise its rights under the Articles to forfeit and cancel the 1,160 Unpaid Shares on the basis that such shares have not been fully paid for (the "Forfeiture").

2.18 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;

or

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

(i) The entity and the Company are members of the same group;

(ii) One entity is an associate or 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);

2. Significant accounting policies (continued)

2.18 Related parties (continued)

(iii) The entity and the Company 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 employees of either 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 the key management personnel of the entity (or of a parent of the entity); and

(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:

(a) That person's children and spouse or domestic partner;

(b) Children of that person's spouse or domestic partner; and

(c) Dependents of that person or that person's spouse or domestic partner.

2. Significant accounting policies (continued)

2.19 Fair value measurement

The Group measures its properties at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:-

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

(a) Determination of functional currency

In determining the functional currency of the Group, judgment is used by the management to determine the currency of the primary economic environment in which the Group operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(b) Determination of lease term of contracts with extension options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term to consider whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customization to the leased asset).

The Group includes the extension option in the lease term for leases of leasehold buildings because of the leasehold improvements made and the significant costs that would arise to replace the assets. The extension options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, will not exercise the extension options.

3. Critical accounting estimates, assumptions and judgements (continued)

Critical accounting estimates and assumptions (continued)

(a) Useful lives of plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences an unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Group's plant and equipment as at June 30, 2023 was US$21,855,181 (December 31, 2022: US$22,493,283).

(b) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of a similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines. The realizable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realizable value. The carrying amount of the Group's inventories as at June 30, 2023 was US$67,899 (December 31, 2022: US$225,151).

(c) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

3. Critical accounting estimates, assumptions and judgements (continued)

Critical accounting estimates and assumptions (continued)

The carrying amount of the Group's trade receivables as at June 30, 2023 was US$810,602 (December 31, 2022: US$389,648).

(d) Impairment of non-financial assets

The impairment testing of non-financial assets requires assumptions about the future cash flows projections as well as about the discount rate to be applied. The assumptions used to arrive at the cash flow projections are dependent on the future market shares, the market trend and the profitability of the Group's products.

Impairment testing of non-financial assets requires estimates about the extent and probability of the occurrence of future events. As far as possible, estimates are derived from past experience taking into account current market conditions and the stage of technological advancement.

(e) Capitalization of intangible assets

The costs of internally generated intangible assets are capitalized in accordance with the accounting policy in Note 2.6 to the financial statements. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The carrying amount of the intangible assets at the reporting date is US$2,053,309 (December 31, 2022: US$1,845,912).

4. Revenue

	June 30, 2023	June 30, 2022
	US$	US$
Revenue from:		
- Sales of circular products	**1,310,619**	2,044,968
- Waste disposal services	**2,083,694**	928,822
	3,394,313	2,973,790

5. Other income

	June 30, 2023	June 30, 2022
	US$	US$
Foreign exchange gain	**65,015**	206,468
Interest income	**12,002**	2
Gain from disposal of motor vehicle	**2,130**	-
Government grants	**33,511**	55,108
Grant from AEPW1	**40,000**	50,000
Warehousing and logistic services	**36,357**	86,983
Others	**320**	-
	189,335	398,561

The Alliance to End Plastic Waste ("AEPW") is an industry-founded and funded non-governmental and non-profit organization based in Singapore. Founding members include BASF, Chevron Phillips Chemical, ExxonMobil, Dow Chemical, Mitsubishi Chemical Holdings, Proctor & Gamble and Shell.

6. Other operating expenses

	June 30, 2023	June 30, 2022
	US$	US$
Foreign worker levy	**78,335**	47,856
Insurance	**38,647**	38,597
Professional fees	**291,303**	503,380
Property tax	**54,630**	53,551
Rental and storage	**214,175**	125,725
Utilities	**92,045**	62,382
Upkeep, repair and maintenance	**53,392**	140,979
Chemical and incineration fees	**70,378**	11,344
Bank service charges	**45,878**	4,040
Others	**52,743**	65,583
	991,526	1,053,437

7. Employee benefits expenses

	June 30, 2023	June 30, 2022
	US$	US$
Salaries, wages and bonuses	**1,087,632**	727,417
Directors' remuneration	**110,652**	105,873
Employer's contribution to defined contribution plans including Central Provident Fund	**72,467**	50,582
Other short term benefit	**2,221**	30,743
	1,272,972	914,615
Less: Amount capitalized as internal development of intangible assets	**(633,912)**	(416,299)
	639,060	498,316

8. Finance expense

	June 30, 2023	June 30, 2022
	US$	US$
Interest expenses:		
- Lease liabilities	**28,492**	13,938
- Borrowings	**130,420**	89,509
	158,912	103,447

9. Income tax expense

	June 30, 2023	June 30, 2022
	US$	US$
Tax expense attributable to loss is made up of:		
- Movements in deferred tax liabilities	**39,000**	34,000
	39,000	34,000

9. Income tax expense (continued)

The tax on profit or loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax expense as follows:

	June 30, 2023	June 30, 2022
	US$	US$
Loss before income tax	**(574,300)**	(687,214)
Tax calculated at tax rate of 17% (2022: 17%)	**(97,631)**	(116,826)
Effects of:		
- Expenses not deductible for tax purposes	**5,331**	109,283
- Income not subject to tax	**(21,754)**	-
- Temporary difference	**153,054**	41,543
	39,000	34,000

10. Trade and other receivables

	June 30, 2023	December 31, 2022
	US$	US$
Trade receivables		
- Non-related parties	810,602	389,648
- Contract assets	-	-
	810,602	389,648
Non-trade receivables		
- Advance payment to suppliers	**329,597**	337,488
- Deposits	**370,640**	59,857
- Goods and services tax recoverable	-	2,294
- Prepayments	**10,725**	25,841
	710,962	425,480
	1,521,564	815,128

Receivables that are past due but not impaired :

	June 30, 2023	December 31, 2022
	US$	US$
	Unaudited	Unaudited
Less than 30 days	**223,658**	22,473
30 to 90 days	**32,166**	1,895
More than 90 days	-	2,117
	255,824	26,485

11. Intangible assets

	June 30, 2023	December 31, 2022
	US$	US$
	Unaudited	Unaudited
Cost		
Beginning of financial year	**2,961,256**	1,950,063
Additions - internal development	**633,912**	1,011,193
Additions - acquisitions	-	-
End of financial period and year	**3,595,168**	2,961,256
Accumulated amortisation		
Beginning of financial year	**1,115,344**	476,495
Amortization	**426,515**	638,849
End of financial period and year	**1,541,859**	1,115,344
Net book value		
End of financial period and year	**2,053,309**	1,845,912

12. Inventories

	June 30, 2023	December 31, 2022
	US$	US$
Raw materials	**62,275**	116,721
Finished goods	**5,624**	104,430
	67,899	221,151

13. Trade and other payables

	June 30, 2023	December 31, 2022
	US$	US$
Trade payables		
- Non-related parties	**287,251**	525,588
	287,251	525,588
Other payables		
- Amount due to shareholder	**184,407**	-
- Contract liabilities	**2,076,577**	2,162,274
- Amount due to directors	**838,284**	927,885
- Deposit from customers	**5,975**	19,411
- Accruals for operating expenses	**1,164,476**	645,861
- Goods and services tax payable	**12,483**	50
- Withholding tax	**6,860**	4,276
	4,289,062	3,759,757
	4,576,313	4,285,345

14. Borrowings

	June 30, 2023	December 31, 2022
	US$	US$
Term loan I	**233,206**	271,035
Term loan II	-	1,266,912
Term loan III	-	-
Term loan IV	**495,397**	626,714
Term loan V	**553,220**	697,233
Term loan VI	**1,083,389**	1,278,261
Term loan VII	**2,149,443**	-
Trade receivables financing	**202,954**	-
Revolving credit	**1,703,917**	1,658,486
	6,421,526	5,798,641

	June 30, 2023	December 31, 2022
	US$	US$
Analysed as :		
Non-current portion	**239,307**	371,103
Current portion	**6,182,219**	5,427,538
	6,421,526	5,798,641

14. Borrowings ("continued")

	June 30, 2023	December 31, 2022
	US$	US$
Bank borrowings repayable :		
Within one year or on demand	**6,182,219**	5,427,538
Within a period of more than one year but not exceeding two years	**239,307**	371,103
Within a period of more than two years but not exceeding five years	**-**	-
	6,421,526	5,798,641

15. Leases

	June 30, 2023	December 31, 2022
	US$	US$
Carrying amounts		
Leasehold land and buildings	**2,103,863**	2,199,934
Plant and equipment	**4,211**	8,151
Machineries	**-**	-
Motor vehicles	**151,121**	113,707
	2,259,195	2,321,792

Depreciation

	June 30, 2023	June 30, 2022
	US$	US$
Leasehold land and buildings	**104,302**	86,015
Plant and equipment	**3,941**	3,941
Machineries		
Motor vehicles	**20,001**	17,609
	128,244	107,565

Interest expense

	June 30, 2023	June 30, 2022
	US$	US$
Interest expense on lease liabilities	**28,492**	13,938

15. Leases (continued)

Lease liabilities

	June 30, 2023	December 31, 2022
	US$	US$
Current	**184,853**	185,764
Non-current	**2,022,994**	2,071,571
	2,207,847	2,257,335

Short-term leases

	June 30, 2023	June 30, 2022
	US$	US$
Expense relating to short-term leases	**125,780**	68,412
Total cash outflow for leases	**211,990**	182,642

16. Deferred tax

	June 30, 2023	December 31, 2022
	US$	US$
Deferred tax assets recognized	**65,000**	75,070
Deferred tax liabilities recognized	**267,000**	238,070
Net deferred tax liabilities	**202,000**	163,000

17. Share capital

	June 30, 2023	December 31, 2022
No. of ordinary shares	**10,605**	**10,000**

18. Related party transactions

	June 30, 2023	June 30, 2022
	US$	US$
Salaries and bonuses	**102,182**	97,708
Employer’s contribution to the Central Provident Fund	**8,470**	8,165
	110,652	105,873

19. Subsequent events

On August 2, 2023, Genesis Unicorn Capital Corp. (“GUCC”), ESGL Holdings Limited (the “Company”), ESGH Merger Sub Corp. (“Merger Sub”), a wholly-owned subsidiary of the Company, and Environmental Solutions Group Holdings Limited (“ESGL”) closed on a business combination transaction (“Business Combination”) pursuant to a merger agreement, dated November 29, 2022 (the “Merger Agreement”). Upon the closing of the transactions contemplated by the Merger Agreement, (a) GUCC merged with and into the Company (the “Reincorporation Merger”), with the Company surviving the Reincorporation Merger, and (b) Merger Sub merged with and into ESGL (the “Acquisition Merger”), with ESGL surviving the Acquisition Merger as a direct and wholly owned subsidiary of the Company. The combined company is named ESGL Holdings Limited and, under its new ticker symbol “ESGL”, commenced trading on August 4, 2023 on Nasdaq.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Description of the Business Combination and Related Transactions

Business Combination

On August 2, 2023, Genesis Unicorn Capital Corp. (“GUCC”), ESGL Holdings Limited (“ESGL”), a Cayman Islands exempted company, ESGH Merger Sub Corp. (“Merger Sub”), a Cayman Islands exempted company and wholly-owned subsidiary of ESGL, and Environmental Solutions Group Holdings Limited (“ ESGH”), a Cayman Islands exempted company, closed on a business combination transaction (“Business Combination”) pursuant to that certain Merger Agreement, dated as of November 29, 2022 (the “Merger Agreement”). Upon the closing of the transactions contemplated by the Merger Agreement on August 2, 2023, (a) GUCC merged with and into ESGL (the “Reincorporation Merger”), with ESGL surviving the Reincorporation Merger, and (b) Merger Sub merged with and into ESGH (the “Acquisition Merger”), with ESGH surviving the Acquisition Merger as a direct wholly owned subsidiary of ESGL. The Business Combination was approved at a special meeting of GUCC stockholders on July 26, 2023. The combined company is named ESGL Holdings Limited and its new ticker symbol is “ESGL” commencing with trading on August 4, 2023 listed on a stock exchange in the United States.

In connection with the stockholders’ votes through the closing of the Business Combination, a total of 7,100,902 Ordinary Shares were tendered for redemption, such that a total of $75,097,485 was paid to the redeeming stockholders from the Trust Account. After the redemptions and at the closing of the Business Combination, a total of 1,524,098 Ordinary Shares were reclassified to permanent equity.

Forward Purchase Agreement

On July 27, 2023, GUCC, ESGL, and ESGH entered into an agreement (“Forward Purchase Agreement”) with Vellar Opportunities Fund Master, Ltd. (“Vellar”) for an OTC Equity Prepaid Forward Transaction. On the same date as the execution of the Forward Purchase Agreement, Vellar assigned and novated 50% of its rights and obligations under the Forward Purchase Agreement to ACM ARRT K LLC (“ARRT”, together with Vellar, the “Sellers”). Following the assignment and novation, the rights and obligations of each Seller under its Forward Purchase Agreement were and are separate and distinct from the those of the other Seller, with each Seller acting independently of the other, without reference to or knowledge of the other Seller’s actions or inactions.

The primary purpose of entering into the Forward Purchase Agreement was to provide cash to ESGL following the closing of the Business Combination (the “Closing”). For purposes of the Forward Purchase Agreement, GUCC is referred to as the “Counterparty” prior to the Closing, while ESGL is referred to as the “Counterparty” after the Closing. Capitalized terms used, but not otherwise defined, in this subsection entitled “Forward Purchase Agreement” shall have the meanings ascribed to such terms in the Forward Purchase Agreement filed as Exhibit 10.3 to this registration statement.

Pursuant to the terms of the Forward Purchase Agreement, each Seller intended, but was not obligated, to purchase up to 2,200,000 shares (the “Maximum Number of Shares”) of GUCC Class A common stock, or 4,400,000 in total. The Sellers made their purchases after the expiration of the redemption deadline for holders to redeem shares in connection with the Business Combination, in brokered transactions in the open market, typically from holders that had elected to redeem their shares. In aggregate, Vellar purchased 931,915 shares, and ARRT 500,000 shares of GUCC Class A common stock (the “Recycled Shares”). In connection with these purchases, the Sellers revoked any redemption elections.

The Forward Purchase Agreement provides that each Seller be paid directly an aggregate cash amount (the “Prepayment Amount”) equal to the product of (i) the number of Recycled Shares set forth in a Pricing Date Notice delivered by that Seller and (ii) the redemption price paid by GUCC at Closing to holders of its common stock who exercised their redemption rights in connection with the Business Combination (the “Initial Price”). Following the Closing, GUCC paid the Prepayment Amounts of $10,141,403.28 to Vellar and $5,427,750.00 to ARRT directly from the Counterparty’s trust account maintained by Continental Stock Transfer and Trust Company

The Forward Purchase Agreement grants each Seller the right to purchase from us additional shares (the “Additional Shares”) up to an amount equal to the difference between the number of Recycled Shares for such Seller and 2,200,000 shares (which is the maximum number of shares for each Seller). On August 14, 2023, Vellar delivered a Pricing Date Notice to ESGL for 1,268,085 Additional Shares, which were issued by ESGL effective as of that date. On August 4, 2023, ARRT delivered a Pricing Date Notice to ESGL for 550,000 Additional Shares, which were issued by ESGL effective as of that date. The sum of the Recycled Shares and the Additional Shares under the Forward Purchase Agreement is referred to as the “Number of Shares.”

From time to time and on any date following the Closing (any such date, an “OET Date”), each Seller may, in its absolute discretion, terminate the Forward Purchase Agreement in whole or in part by providing written notice to the Counterparty (the “OET Notice”) that specifies the number of shares for which the Forward Purchase Agreement will be terminated (such quantity, the “Terminated Shares”). The effect of an OET Notice will be to reduce the Number of Shares by the number of Terminated Shares specified in such OET Notice with effect as of the related OET Date. As of each OET Date, the Counterparty shall be entitled to an amount from the Seller delivering the OET Notice, equal to the product of (x) the number of Terminated Shares and (y) the reset price as of the OET Date. The reset price will initially be the Initial Price, but is subject to reduction in the event that the Counterparty issues Ordinary Shares or securities convertible into or exchangeable or executable for Ordinary Shares at a price that is less than the reset price, subject to certain exceptions.

The valuation date (the “Valuation Date”) for each Forward Purchase Agreement will be the earliest to occur of (a) the date that is 24 months after the Closing, (b) the date specified by the Seller in a written notice to be delivered to the Counterparty at Seller’s discretion (which Valuation Date shall not be earlier than the day such notice is effective) after the occurrence of any of (w) a VWAP Trigger Event (x) a Delisting Event, or (y) a Registration Failure and (c) the date specified by the Seller in a written notice to be delivered to Counterparty at the Seller’s sole discretion (which Valuation Date shall not be earlier than the day such notice is effective).

In connection with the occurrence of the Valuation Date, each Seller will pay to the Counterparty an amount in cash based on the value of the Ordinary Shares over a Valuation Period (the “Settlement Amount”). The Valuation Period begins on the business day after the Valuation Date and ends on the date on which the number of shares traded over the Valuation Period equals ten times the Number of Shares. The Seller will pay the Settlement Amount on the Cash Settlement Payment Date, which is the 30th business day immediately following the last day of the Valuation Period.

The determination of the Settlement Amount depends upon the trigger for the Valuation Date. In the event the Valuation Date is determined by Seller delivering to Counterparty written notice at its sole discretion, the Settlement Amount will equal (1) the Number of Shares as of the Valuation Date multiplied by (2) the closing price of the Shares on the immediately preceding trading day. In all other cases, the Settlement Amount will equal (1) the Number of Shares as of the Valuation Date that are registered for resale under an effective Registration Statement or may be transferred without any restrictions (including the current public information requirement or the volume and manner of sale limitations under Rule 144 under the Securities Act) multiplied by the average of the daily VWAP Price over the Valuation Period less (2) the Settlement Amount Adjustment. The Settlement Amount Adjustment is equal to the product of (1) (a) the Maximum Number of Shares less (b) any Terminated Shares as of the Valuation Date, multiplied by (2) $2.00.

On one occasion, during the period beginning 30 days after the Closing Date and ending on the Valuation Date, Counterparty may request in writing that each Seller provide it with additional funding of up to $1,000,000 (for an aggregate of $2,000,000), subject to the terms of the Forward Purchase Agreement (the “Additional Funds”). If a Seller provides Additional Funds to Counterparty, that Seller may deliver to Counterparty a Number of Shares Adjustment Notice, the effect of which is to reduce the Number of Shares by the number of shares specified in that notice with aggregate proceeds equal to the Additional Funds the Seller provided.

Each Seller agreed to waive any redemption rights with respect to any Recycled Shares in connection with the Business Combination and agreed not to vote the shares it purchases pursuant to the Forward Purchase Agreement in favor of the Business Combination. Each Forward Purchase Agreement has been structured, and all activity in connection with such agreement has been undertaken, to comply with the requirements of all tender offer regulations applicable to the Business Combination, including Rule 14e-5 under the Securities Exchange Act of 1934.

Waiver Agreement

On July 26, 2023, the parties to the Merger Agreement entered into a waiver agreement (the “Waiver Agreement”) pursuant to which each of Parent, Merger Sub and Purchaser waives the closing condition contained in Section 10.2 of the Merger Agreement that the Company shall have duly performed or complied with, in all material respects, all of its obligations hereunder required to be performed or complied with (without giving effect to any materiality or similar qualifiers contained therein) by the Company at or prior to the Closing Date in so far as they relate to the Company’s New Developments (as defined below) (and shall not extend to any other event, circumstance or instance), and (b) each of Parent, Merger Sub, Purchaser, the Company and the Shareholder Representative waives the requirement that the Holdback Amount reduces the Per Share Merger Consideration Amount payable to the Company Shareholders at Closing. In connection with the foregoing waivers, each of Parent, Merger Sub, Purchaser, the Company and the Shareholder Representative acknowledges and agrees that the Merger Consideration will not be adjusted in respect of Working Capital pursuant to Sections 4.1 or 4.3 of the Merger Agreement. The “Company’s New Developments” is defined as the following: (i) the Company is unable to deliver to the Parent Parties a good faith calculation of the Company’s Estimated Working Capital at least three (3) Business Days prior to the Closing Date; and (ii) the Company has requested that the Per Share Merger Consideration Amount payable to the Company Shareholders shall not be reduced by the Holdback Amount of $3,750,000 for purposes of calculating the Per Share Merger Consideration at Closing.

Introduction

The following unaudited pro forma condensed combined financial statements are provided to aid you in your analysis of the financial aspects of the Business Combination.

The unaudited pro forma condensed combined statement of financial position as of June 30, 2023 gives pro forma effect to the Business Combination and related transactions as if they had been consummated as of that date. The unaudited pro forma combined statements of operations for the six months ended June 30, 2023 give pro forma effect to the Business Combination and related transactions as if they had occurred as of January 1, 2022.

This information should be read together with the historical financial statements and related notes of ESGH and GUCC, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information included elsewhere in the registration statement on Form F-1 filed with the SEC on September 19, 2023 (the "Form F-1").

The unaudited pro forma combined balance sheet as of June 30, 2023 has been prepared using the following:

- ESGH's unaudited historical consolidated statement of financial position as of June 30, 2023, as included as Exhibit 99.2 in this current report; and
- GUCC's unaudited historical balance sheet as of June 30, 2023, as included as Exhibit 99.1 in this current report.

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2023 has been prepared using the following:

- ESGH's unaudited historical consolidated statement of profit or loss for the six months ended June 30, 2023, as included as Exhibit 99.2 in this current report; and
- GUCC's unaudited historical statement of operations for the six months ended June 30, 2023, as included as Exhibit 99.1 in this current report.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 has been prepared using the following:

- ESGH's historical audited consolidated statement of profit or loss for the year ended December 31, 2022, as included in the Form F-1; and
- GUCC's historical audited statement of operations for the year ended December 31, 2022, as included in the Form F-1.

Accounting for the Business Combination

GUCC will be treated as the acquired company for accounting purposes, whereas ESGH will be treated as the accounting acquirer. Because GUCC does not meet the accounting definition of a business, the Business Combination will be treated as the equivalent of ESGH issuing stock for the net assets of GUCC, accompanied by a recapitalization. The net assets of ESGH will be stated at historical cost, with no goodwill or other intangible assets recorded, and the historical results of operations prior to the Business Combination will be those of ESGH. ESGH has been determined to be the accounting acquirer for purposes of the Business Combination based on an evaluation of the following facts and circumstances:

- After the Acquisition Closing, persons affiliated with ESGH control a majority of the Combined Company's board of directors;
- ESGH shareholders have the largest voting interest;
- ESGH is the largest entity based on the entity's operations and number of employees;
- ESGH's operations prior to the Business Combination will comprise the ongoing operations of the Combined Company; and
- ESGH's existing executive officers and senior management team comprise the executive officers and senior management team of the Combined Company.

The Business Combination, which is not within the scope of IFRS 3 (Business Combination) since GUCC does not meet the definition of a business in accordance with IFRS 3 (Business Combination), is accounted for within the scope of IFRS 2 (Share-Based Payment). Any excess of fair value of the consideration shares issued over the fair value of GUCC's identifiable net assets acquired represents a listing fee for the service of a stock exchange listing for its shares and is expensed as incurred.

Basis of Pro Forma Presentation

The historical financial statements of ESGH have been prepared in accordance with IFRS and in its presentation currency of U.S. Dollars. The historical financial statements of GUCC have been prepared in accordance with U.S. GAAP in its presentation currency of U.S. Dollars. The historical financial information of GUCC has been adjusted to give effect to the differences between U.S. GAAP and IFRS for the purposes of the unaudited condensed combined pro forma financial information, which included the only adjustment to reclassify the carrying value of GUCC's Class A Common Stock subject to possible redemption, classified as mezzanine equity under U.S. GAAP, to non-current liabilities under IFRS. IFRS differs from U.S. GAAP in certain material respects and thus may not be comparable to financial information presented by U.S. companies.

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X, as amended by the final rule, Release No. 33-10786, "Amendments to Financial Disclosures about Acquired and Disposed Businesses." Release No. 33-10786 replaces the prior pro forma adjustment criteria with a revised approach to depict the accounting for the transaction ("Transaction Accounting Adjustments") and the option to present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur ("Management's Adjustments"). Management has elected not to present Management's Adjustments and has only presented Transaction Accounting Adjustments in the unaudited pro forma condensed combined financial statements. GUCC and ESGH have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and are not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of ESGL. In the opinion of management, all necessary adjustments to the unaudited pro forma condensed combined financial statements have been made. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined financial statements.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments. The pro forma adjustments are based on information currently available and certain assumptions and methodologies that management believes are reasonable under the circumstances. The pro forma adjustments, which are described in the accompanying notes, are based on preliminary estimates and may be revised as additional information becomes available and is evaluated. Therefore, the actual adjustments may differ from the pro forma adjustments, and it is possible the difference may be material. Management believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Business Combination based on information available at this time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

Capitalization

The following summarizes the pro forma ESGL shares issued and outstanding immediately after the Business Combination, excluding shares issuable upon exercise of options and warrants.

	Actual Redemptions	
	Shares	**%**
ESGL ordinary shares owned by GUCC public stockholders	92,183	0.7%
ESGL ordinary shares owned by GUCC Sponsor	2,533,581	20.0%
ESGL ordinary shares owned by GUCC underwriter	43,125	0.3%
ESGL ordinary shares owned by Vellar and ARRT in connection with Forward Purchase Agreement	3,250,000	25.6%
Issuance of ESGL ordinary shares to ESGH shareholders in connection with Business Combination	6,764,150	53.4%
	12,683,039	100.0%

Included in the shares outstanding and weighted average shares outstanding as presented in the pro forma condensed combined financial statements are 6,764,150 ESGL ordinary shares issued to ESGH shareholders in connection with the Merger Agreement.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
(in US Dollars)

				Actual Redemptions		
	ESGL (Historical)	GUCC (Historical)	IFRS Conversion and Presentation Adjustments	Transaction Accounting Adjustments	Notes	Pro Forma Combined
	Note A	Note B	Note C	Note D		
ASSETS						
Current assets						
Cash and cash equivalents	$ 1,157,621	$ 89,098	$ -	$ (130,611)	(c)(d)(j)	$ 1,377,330
Trade and other receivables	1,521,564	-	-	15,569,153	(c)	17,090,717
Prepaid expenses - current	-	131,844	-	-		131,844
Inventories	67,899	-	-	-		67,899
Total current assets	2,747,084	220,942	-	15,699,764		18,667,790
Noncurrent assets						
Property, plant and equipment, net	21,855,181	-	-	-		21,855,181
Intangible assets, net	2,053,309	-	-	-		2,053,309
Investments held in Trust Account	-	58,105,401	-	(58,105,401)	(a)(b)(c)	-
Total noncurrent assets	23,908,490	58,105,401	-	(58,105,401)		23,908,490
Total assets	$26,655,574	$58,326,343	$ -	$ (42,405,637)		$ 42,576,280
LIABILITIES AND EQUITY						
Current liabilities						
Trade and other payables	$ 4,576,313	$ -	$ -	$ -		$ 4,576,313
Lease liabilities	184,853	-	-	-		184,853
Borrowings	6,182,219	-	-	-		6,182,219
Accounts payable	-	63,564	-	-		63,564
Accrued expenses		759,915	-	-		759,915
Franchise tax payable	-	20,000	-	-		20,000
Income tax payable		56,540	-	-		56,540
Promissory note - related party		2,450,000	-	-		2,450,000
Total current liabilities	10,943,385	3,350,019	-	-		14,293,404
Noncurrent liabilities						
Lease liabilities	2,022,994	-	-	-		2,022,994
Borrowings	239,307	-	57,928,860	(57,928,860)	(a)(b)(f)	239,307
Deferred tax liabilities	202,000	-	-	-		202,000
Deferred underwriting fee payable	-	2,803,125	-	(2,803,125)	(d)	-
Total noncurrent liabilities	2,464,301	2,803,125	57,928,860	(60,731,985)		2,464,301
Total liabilities	13,407,686	6,153,144	57,928,860	(60,731,985)		16,757,705
Class A common stock subject to possible redemption; 8,625,000 shares at redemption value of $10.24 per share	-	57,928,860	(57,928,860)	-		-
Equity						
Preferred stock	-	-	-	-		-
Share capital	10,003	-	-	(10,003)	(h)	-
Class A common stock	-	42	-	(42)	(e)(f)(g)(i)	-
Class B common stock	-	216	-	(216)	(g)	-
PubCo ordinary shares	-	-	-	127	(i)(j)	127
Other reserves	3,422,799	-	-	37,494,211	(e)(f)(h)(i)(j)	40,917,010
Share premium reserve	753,587	-	-			753,587
Exchange reserves	(460,481)	-	-	-		(460,481)
Revaluation surplus	15,157,824	-	-	-		15,157,824
Accumulated losses	(5,635,844)	(5,755,919)	-	(19,157,729)	(e)(h)	(30,549,492)
Total equity (deficit)	13,247,888	(5,755,661)	-	18,326,348		25,818,575
Total liabilities and equity	$26,655,574	$58,326,343	$ -	$ (42,405,637)		$ 42,575,280

See accompanying notes to the unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(in US Dollars)

	ESGL (Historical) Note A	GUCC (Historical) Note B	Actual Redemptions: Transaction Accounting Adjustments Note C	Notes	Pro Forma Combined
Revenue	$ 3,394,313	$ -	$ -		$ 3,394,313
Other income	189,335	-	-		189,335
Investment income earned on investments held in Trust Account	-	1,207,374	(1,207,374)	(a)	-
Cost of inventory	(407,291)	-	-		(407,291)
Logistics costs	(792,079)	-	-		(792,079)
Depreciation of property, plant, and equipment	(758,519)	-	-		(758,519)
Amortization of intangible assets	(426,515)	-	-		(426,515)
Employee benefits expense	(639,060)	-	(188,105)	(b)	(827,165)
Finance expense	(158,912)	-	-		(158,912)
Other operating (expenses)/income	(991,526)	(1,250,835)	-		(2,242,361)
Franchise tax expense	-	(100,050)	-		(100,050)
Loss before income tax	(590,254)	(143,511)	(1,395,479)		(2,129,244)
Income tax expense	(39,000)	(113,080)	-		(152,080)
Net loss	$ (629,254)	$ (256,591)	$ (1,395,479)		$ (2,281,324)
Basic and diluted net loss per share, Class A common stock	-	$ (0.03)	-		-
Basic and diluted weighted average shares outstanding, Class A common stock	-	5,867,515	-		-
Basic and diluted net loss per share, Class B common stock	-	$ (0.03)	-		-
Basic and diluted weighted average shares outstanding, Class B common stock	-	2,156,250	-		-
Basic and diluted net loss per share, PubCo common stock	-	-	-		$ (0.18)
Basic and diluted weighted average shares outstanding, PubCo common stock	-	-	12,683,039	(c)	12,683,039

See accompanying notes to the unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(in US Dollars)

		Actual Redemptions			
	ESGH (Historical)	GUCC (Historical)	Transaction Accounting Adjustments	Notes	Pro Forma Combined
	Note A	Note B	Note C		
Revenue	$ 4,992,034	$ -	$ -		$ 4,992,034
Other income	396,373	-	-		396,373
Investment income earned on investments held in Trust Account	-	1,281,044	(1,281,044)	(a)	-
Cost of inventory	(1,093,194)	-	-		(1,093,194)
Logistics costs	(689,762)	-	-		(689,762)
Depreciation of property, plant, and equipment	(1,661,403)	-	-		(1,661,403)
Amortization of intangible assets	(638,849)	-	-		(638,849)
Employee benefits expense	(933,124)	-	(376,209)	(d)	(1,309,333)
Finance expense	(246,359)	-	-		(246,359)
Other operating expenses	(2,509,528)	(1,369,689)	(24,913,648)	(b)	(28,792,865)
Franchise tax expense	-	(204,153)	-		(204,153)
Loss before income tax	(2,383,812)	(292,798)	(26,570,901)		(29,247,511)
Income tax expense	(8,000)	(227,000)	-		(235,000)
Net loss	$ (2,391,812)	$ (519,798)	$ (26,570,901)		$ (29,482,511)
Basic and diluted net loss per share, Class A common stock	-	$ (0.05)	-		-
Basic and diluted weighted average shares outstanding, Class A common stock	-	7,855,917	-		-
Basic and diluted net loss per share, Class B common stock	-	$ (0.05)	-		-
Basic and diluted weighted average shares outstanding, Class B common stock	-	2,119,263	-		-
Basic and diluted net loss per share, ESGL ordinary shares	-	-	-		$ (2.32)
Basic and diluted weighted average shares outstanding, ESGL ordinary shares	-	-	12,683,039	(c)	12,683,039

See accompanying notes to the unaudited pro forma condensed combined financial information.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Pro Forma Adjustments

The pro forma notes and adjustments, based on preliminary estimates that could change materially as additional information is obtained, are as follows:

Unaudited Pro Forma Condensed Combined Statement of Financial Position – As of June 30, 2023

Note A Derived from the historical unaudited consolidated statement of financial position of Environmental Solutions Group Holdings Limited (“ESGL”) as of June 30, 2023.

Note B Derived from the historical unaudited balance sheet of GUCC as of June 30, 2023.

Note C IFRS Conversion and Presentation Adjustments - To reclassify the carrying value of GUCC’s Class A Common Stock subject to possible redemption, originally classified as mezzanine equity under U.S. GAAP, to non-current liabilities under IFRS.

Note D - Transaction Accounting Adjustments

(a) To record the actual redemption of 3,922,961 Ordinary Shares, with a total of $42,389,858 that was paid to the redeeming stockholders from the Trust Account. After the redemptions, a total of 1,524,098 Ordinary Shares were reclassified to permanent equity at the closing of the Business Combination.

(b) To record $1,960,944 deposited into the Trust Account as a result of GUCC’s exercise on each of February 17, 2023, March 17, 2023, April 17, 2023, May 17, 2023, June 17, 2023 and July 17, 2023 of its option to extend the term by which GUCC had to consummate a business combination from February 17, 2023 to August 17, 2023.

(c) To record the transfer of the Prepayment Amount of $15,569,153 to ARRT and Vellar from the Trust Account for their purchase of 1,431,915 shares of GUCC Class A common stock pursuant to the Forward Purchase Agreement and to record the transfer of the remaining $2,107,334 in the Trust Account to cash and cash equivalents.

(d) To reflect the payment of GUCC’s deferred underwriting fee of $2,803,125 incurred in connection with the GUCC initial public offering, which is payable upon completion of the Business Combination. The assumed payment has been recorded as a reduction of cash and deferred underwriting fee payable.

(e) To record the cost of the ESGL share listing fee. As described in “Accounting for the Business Combination” above, ESGL was determined to be the accounting acquirer and GUCC is not considered to be a business under IFRS 3. Therefore, the Business Combination will be accounted for as the equivalent of ESGL issuing shares at the closing of the Business Combination for the net assets of GUCC as of the closing date, accompanied by a recapitalization. This deemed issuance of 6,764,150 shares (7,500,000 shares less adjustments stipulated in the Merger Agreement) by the Company, in effect, was an equity-settled share-based payment transaction in accordance with IFRS 2 (Share-based Payment) whereby ESGL received the net assets of GUCC together with the listing status of GUCC. The quantity of shares was determined using a formula pursuant to the Merger Agreement. The fair value of ESGL shares deemed to be issued in excess of the fair value of identifiable net assets of GUCC represents a service received by ESGL for the listing of shares in accordance with IFRS 2. The fair values in the table below are preliminary. As shown in the table below, the cost of the services, which is a non-cash expense, is preliminarily estimated to be $24.9 million.

	Per Share Value (As of the Closing of August 2, 2023)	Actual Redemptions Shares	Actual Redemptions Fair Value
GUCC public stockholders	$ 8.4400	1,524,098	$ 12,863,387
GUCC Sponsor Class A shares	$ 8.4400	2,576,706	21,747,399
GUCC public warrants	$ 0.0630	8,625,000	543,375
GUCC private warrants	$ 0.0630	377,331	23,772
Total consideration		13,103,135	35,177,933
Less: net assets of GUCC			(10,264,285)
Excess of net assets			**$ 24,913,648**

Pro Forma Net Assets of GUCC as of June 30, 2023	
Total assets	$ 60,287,287
Redemptions out of Trust Account	(42,389,858)
Current liabilities	(3,350,019)
Deferred underwriting fee payable	(2,803,125)
Direct and incremental transaction costs	(1,480,000)
Net assets of GUCC	$ 10,264,285

(f) To reflect the reclassification of the balance of 1,524,098 shares of GUCC Class A common stock of $17,499,946 from borrowings to Class A common stock of $152 and other reserves of $17,499,794.

(g) To reflect the conversion of GUCC Class B common stock into an equal number of shares of GUCC Class A common stock upon consummation of the Business Combination.

(h) To record the recapitalization of ESGL as a result of the Business Combination via the elimination of ESGL share capital of $10,003 and GUCC accumulated deficit of $5,755,919.

(i) To record the effect of the change in par value from $0.0001 per share for GUCC to $0.00001 per share for Ordinary Shares.

(j) To reflect the anticipated proceeds of $826,402 in connection with the issuance and sale of 1,818,085 Ordinary Shares under the Forward Purchase Agreement.

Unaudited Pro Forma Condensed Combined Statement of Operations - For The Period Ended June 30, 2023

Note A Derived from the historical unaudited consolidated statement of profit or loss of ESGL for the period ended June 30, 2023.

Note B Derived from the historical unaudited statement of operations of GUCC for the period ended June 30, 2023.

Note C -Transaction Accounting Adjustments

(a) To reflect an adjustment to eliminate interest income related to the marketable securities held in the Trust Account.

(b) To record additional employee benefits expense in connection with certain employment agreements entered into as of August 2, 2023 with certain executive officers of ESGL as if the Business Combination and related transactions had occurred on January 1, 2022.

(c) The pro forma basic and diluted net loss per share amounts presented are based upon the number of Ordinary Shares outstanding as if the Business Combination and related transactions had occurred on January 1, 2022. This includes (i) the conversion of 2,156,250 shares of GUCC Class B common stock into an equal number of GUCC Class A common stock, (ii) the 6,764,150 shares (7,500,000 shares less adjustments stipulated in the Merger Agreement) issued by ESGL to ESGL shareholders as consideration to effect the Business Combination, (iii) the 8,625,000 shares issued in connection with GUCC's initial public offering, (iv) the 420,456 shares issued to the Sponsor and the underwriter in connection with GUCC's initial public offering, (v) the 1,818,085 shares issued in connection with the Forward Purchase Agreement, less (vi) the actual redemption of 7,100,902 shares.

Unaudited Pro Forma Condensed Combined Statement of Operations - For The Year Ended December 31, 2022

Note A Derived from the historical audited consolidated statement of profit or loss of ESGH for the year ended December 31, 2022.

Note B Derived from the historical audited statement of operations of GUCC for the year ended December 31, 2022.

Note C - Transaction Accounting Adjustments

(a) To reflect an adjustment to eliminate interest income related to the marketable securities held in the Trust Account.

(b) To record the fair value of ESGH shares deemed to be issued in excess of the fair value of identifiable net assets of GUCC represents a service received by ESGH for the listing of shares in accordance with IFRS 2. This is estimated to be $24.9 million.

(c) The pro forma basic and diluted net loss per share amounts presented are based upon the number of ESGL Ordinary Shares outstanding as if the Business Combination and related transactions had occurred on January 1, 2022. This includes (i) the conversion of 2,156,250 shares of GUCC Class B common stock into an equal number of GUCC Class A common stock, (ii) the 6,764,150 shares (7,500,000 shares less adjustments stipulated in the Merger Agreement) issued by ESGL to ESGH shareholders as consideration to effect the Business Combination, (iii) the 8,625,000 shares issued in connection with GUCC's initial public offering, (iv) the 420,456 shares issued to the Sponsor and the placement agent in connection with GUCC's initial public offering, (v) the 1,818,085 shares issued in connection with the Forward Purchase Agreement, less (vi) the actual redemption of 7,100,902 shares.

(d) To record additional employee benefits expense in connection with certain employment agreements entered into as of August 2, 2023 with certain executive officers of ESGL as if the Business Combination and related transactions had occurred on January 1, 2022.