POWERING THE FUTURE

RENEWABLE ENERGY FOR A SUSTAINABLE WORLD

2023
SUSTAINABILITY &
FINANCIAL APPENDIX

THIS APPENDIX IS AN INTEGRAL PART OF VENA ENERGY'S SUSTAINABILITY AND FINANCIAL REPORT 2023

APPENDIX A: SUPPLEMENTARY FINANCIAL INFORMATION

The non-IFRS financial and other operating data set out in "Key Non-IFRS Financial Data" section which has been derived from the Combined Financial Statements and the Audited Financial Statements[1] of Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd. and Zenith Japan Holdings Trust (each a "**Vena Entity**" and together, the "**Vena Entities**") for the financial year ended 31 December 2023, and management schedules, where applicable, are supplemental financial measures and are not presented in accordance with International Financial Reporting Standards ("**IFRS**") or generally accepted accounting principles in other countries, including the United States. Accordingly, these data should not be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of Vena Energy, as reported under IFRS.

The following non-IFRS financial data, namely Proportionate Revenue, Proportionate EBITDA, Proportionate EBITDA Margin, Corporate Net Debt, Funds from Operational Assets ("**FFOA**") and Corporate Net Debt to FFOA, as well as other operating data, are presented below as Vena Energy believes they are useful supplements to its financial data presented under IFRS, as measures of Vena Energy's financial and operating performance as well as measures of its assets' ability to generate cash from operations. In particular, as assets located in the Philippines are defined as associates under IFRS, amongst other things, revenues from and project finance debt of these renewable energy generation assets are not consolidated but are instead accounted for using the equity method of accounting under "Share of net profit/(loss) of equity-accounted investees" in the Combined Financial Statements. Accordingly, the Combined Financial Statements does not reflect the revenue and debt of these equity-accounted investees, which are however included in the non-IFRS financial and other operating data.

The following non-IFRS financial and other operating data should be read in conjunction with the Combined Financial Statements and the Audited Financial Statements included in Appendix B.

Key Non-IFRS Financial Data *(USD in millions except margin data)*

	31 Dec 2023	**31 Dec 2022**
Proportionate Revenue[(a)]	582.7	469.2
Proportionate EBITDA[(b)]	389.8	326.4
Proportionate EBITDA Margin[(c)]	67%	70%
Corporate Net Debt[(d)]	340.0	398.2
Funds from Operational Assets[(e)]	189.7	166.7
Corporate Net Debt to FFOA[(f)]	1.8x	2.4x

[1] "**Audited Financial Statements**" is defined as the consolidated financial statements of Vena Energy Holdings Pte. Ltd. and its subsidiaries, consolidated financial statements of Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries and the consolidated financial statements of Zenith Japan Holdings Trust and its subsidiaries for the financial year ended 31 December 2023. The Audited Financial Statements for the financial year ended 31 December 2023 were prepared in accordance with the Singapore Financial Reporting Standards (International) and/or International Financial Reporting Standards and audited by an independent auditor in accordance with Singapore Standards on Auditing.

(a) Proportionate Revenue is a non-IFRS financial measure and represents total income plus proportionate total income from equity-accounted investees less total income attributable to non-controlling interests.

(b) Proportionate EBITDA is a non-IFRS financial measure and represents Adjusted EBITDA less Adjusted EBITDA of non-controlling interest and share of results of equity-accounted investees, and plus EBITDA of equity-accounted investees. Adjusted EBITDA is a non-IFRS financial measure and represents operating profits before development costs, depreciation and amortisation expense, net finance costs, tax expense and other exceptional items (as itemised in the 'Reconciliation of Profit/(Loss) for the Year to Adjusted EBITDA and Proportionate EBITDA' table).

(c) Proportionate EBITDA Margin is a non-IFRS financial measure and represents Proportionate EBITDA for the relevant period divided by Proportionate Revenue for the same relevant period.

(d) Corporate Net Debt is a non-IFRS financial measure and represents the aggregate third party debt of Vena Entities on an unconsolidated or standalone basis less the aggregated cash & cash equivalents of Vena Entities on an unconsolidated or standalone basis.

(e) FFOA is presented as last twelve months ended the relevant period.

(f) Corporate Net Debt to FFOA is a non-IFRS financial measure and represents an indicator of the ability of the Vena Entities to cover their outstanding Corporate Net Debt from the funds generated by the Operational Assets. Corporate Net Debt to FFOA is calculated by dividing Corporate Net Debt over FFOA.

Reconciliation of Combined Financial Results to Proportionate Financial Results

Reconciliation of Gross Revenue to Proportionate Revenue *(USD in millions)*	**31 Dec 2023**	**31 Dec 2022**
Revenue	492.7	404.9
Other income	37.8	16.9
Total income	**530.5**	**421.8**
Less: Total income attributable to non-controlling interest	(32.5)	(12.5)
Add: Total income of equity-acounted investees	84.7	59.9
Proportionate Revenue	**582.7**	**469.2**

Reconciliation of Profit/(Loss) for the Year to Adjusted EBITDA and Proportionate EBITDA *(USD in millions)*	**31 Dec 2023**	**31 Dec 2022**
Profit / (Loss) for the Year	**17.5**	**(11.5)**
Add: Development costs	2.1	3.8
Add: Depreciation and amortisation expense	199.2	159.9
Add: Net finance costs	88.7	125.3
Add: Impairment loss	3.1	2.4
Add: Loss on disposals or write-off of assets	5.3	12.5
Less: Share of net profit of equity-accounted investees, net of tax	7.2	(9.0)
Add: Tax expense	23.6	5.1
Adjusted EBITDA	**346.6**	**288.5**
Less: Adjusted EBITDA attributable to non-controlling interest	(28.3)	(11.8)
Add: Adjusted EBITDA of equity-accounted investees	71.5	49.7
Proportionate EBITDA	**389.8**	**326.4**

Funds from Operational Assets

The following tables present the Funds from Operational Assets of Vena Energy for FY2023 and FY2022. Funds from Operational Assets represents an indicator of recurring funds generated by the Operational Assets that can be used for servicing the corporate net debt, committed and discretionary capital expenditure, development costs and working capital. "Operational Asset" means a subsidiary or equity-accounted investee of Vena Energy which holds the legal and economic interest in a renewable generation facility that is commissioned and capable of generating and selling electricity. Funds from Operational Assets is a non-IFRS financial measure and represents proportionate results from Operational Assets attributable to Vena Energy plus cash flows received from proportionate interest income and after deducting cash flows to (a) repay any proportionate scheduled principal amounts under any debt or financing arrangement of the Operational Assets, (b) pay any proportionate interest or any other financing expense on any debt or financing arrangement of the Operational Assets, (c) pay any proportionate obligations in connection with the hedging arrangements for the debt or financing arrangement, (d) pay any lease liabilities obligations, and (e) pay any proportionate corporate income taxes.

In compiling the Funds from Operational Assets, selected items of income, expenses and cash flows of each Operational Asset within the same geography were aggregated and presented in the following tables.

(USD in millions)	Japan	India	Southeast Asia	North Asia & Australia	Total
YEAR ENDED 31 DECEMBER 2023					
Revenue	**240.1**	**94.8**	**160.6**	**116.8**	**612.3**
Less: Operating Expenses					
- Operation and maintenance costs	(16.6)	(9.4)	(8.2)	(6.3)	(40.5)
- Asset management & shared service fees	(5.4)	(3.4)	(5.8)	(7.0)	(21.6)
- Business related taxes	(13.3)	(0.1)	(3.3)	(1.6)	(18.4)
- Land rent and occupancy costs	(0.3)	(0.1)	(0.4)	(0.2)	(1.0)
- General and administrative expenses	(11.7)	(5.8)	(17.8)	(21.3)	(56.6)
Results from Operational Assets[a]	**192.8**	**76.0**	**125.1**	**80.3**	**474.2**
Less: Share of economic interest attributable to other shareholder[b]	(24.1)	-	(16.4)	-	(40.5)
Proportionate results from Operational Assets	**168.7**	**76.0**	**108.7**	**80.3**	**433.7**
Add: Interest income received[c]	0.7	4.8	1.7	0.8	8.0
Less: Debt service[d] and tax payments	(79.2)	(58.9)	(57.6)	(56.3)	(252.0)
Funds from Operational Assets[e]	**90.2**	**21.9**	**52.8**	**24.8**	**189.7**

[a] "Results from Operational Assets" is defined as revenue (which includes other income) less operating expenses but excludes depreciation and amortisation expense, finance income, finance costs, change in fair value of financial derivatives, net foreign exchange gain or loss, impairment loss, gain/(loss) on disposal of property plant and equipment and tax expense of all Operational Assets.

[b] Share of economic interest attributable to other shareholder represents the results from Operational Assets attributable to the other equity holder(s) who is unrelated to Vena Energy based on its effective economic interest in the relevant subsidiaries or associates of Vena Energy.

[c] Interest income received represents the Vena Entities' proportionate economic share of cash received by the Operational Assets from interest income. Such interest income comprises mainly interest income from bank deposits and/or mutual funds placements.

[d] Debt service payments represents the Vena Entities' proportionate economic share of cash paid by the Operational Assets for interest expense of project finance debt, any obligations in connection with the hedging arrangements related to project finance debt, repayment of scheduled amortisation of project finance debt and payment of any lease obligations. Cash paid in connection with prepayment of project finance debt for refinancing purposes and one-off transaction costs related to project finance debt are excluded.

[e] Funds from Operational Assets has been compiled based on the group reporting package of each Operational Asset (as defined above) used for the purposes of preparing the Audited Financial Statements, or management schedules, where applicable. Funds from Operational Assets excludes the following major cash flow items: (1) changes in working capital, (2) cash prepayment of project finance debt which was refinanced or restructured, (3) proceeds from drawdown of project finance debt and (4) transaction costs related to project finance debt.

(USD in millions)	Japan	India	Southeast Asia	North Asia & Australia	Total
YEAR ENDED 31 DECEMBER 2022					
Revenue	**166.5**	**91.8**	**124.3**	**95.5**	**478.1**
Less: Operating Expenses					
- Operation and maintenance costs	(14.3)	(9.7)	(6.7)	(5.0)	(35.7)
- Asset management & shared service fees	(4.4)	(4.2)	(4.7)	(6.3)	(19.6)
- Business related taxes	(8.8)	(0.1)	(3.5)	(1.3)	(13.7)
- Land rent and occupancy costs	(1.4)	(0.1)	(0.4)	(0.5)	(2.4)
- General and administrative expenses	(7.3)	(5.1)	(9.0)	(18.7)	(40.1)
Results from Operational Assets	**130.3**	**72.6**	**100.0**	**63.7**	**366.6**
Less: Share of economic interest attributable to other shareholder	(3.4)	-	(12.3)	-	(15.7)
Proportionate results from Operational Assets	**126.9**	**72.6**	**87.7**	**63.7**	**350.9**
Add: Interest income received	0.1	1.5	0.4	0.1	2.1
Less: Debt service and tax payments	(40.4)	(60.0)	(53.2)	(32.7)	(186.3)
Funds from Operational Assets	**86.6**	**14.1**	**34.9**	**31.1**	**166.7**

APPENDIX B: FY2023 FINANCIAL STATEMENTS

The Combined Financial Statements (as defined herein) included in this document has been prepared in order to present the (a) combined statements of financial position of Vena Entities ended as at 31 December 2023, (b) combined statements of profit or loss of Vena Entities for the year 31 December 2023, (c) combined statements of comprehensive income of Vena Entities for the year 31 December 2023, and (d) combined statements of cash flows of Vena Entities for the year ended 31 December 2023 (together with the notes comprising a summary of significant accounting policies and other explanatory information, the "Combined Financial Statements").

The Combined Financial Statements has been prepared to fulfil our obligations under paragraph 5(b) under the "Terms and Conditions of the Notes" pursuant to our US$1,000,000,000 Guaranteed Euro Medium Term Note Programme and our obligations under Rule 323 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Combined Financial Statements is intended to supplement, and should be read in conjunction with, the consolidated financial statements of Vena Energy Holdings Pte. Ltd. and its subsidiaries, consolidated financial statements of Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries and the consolidated financial statements of Zenith Japan Holdings Trust and its subsidiaries for the year ended 31 December 2023, which were prepared in accordance with Singapore Financial Reporting Standards (International) and/or International Financial Reporting Standards and included in this document. Readers of the Combined Financial Statements who are not familiar with Singapore Financial Reporting Standards (International) and/or International Financial Reporting Standards are urged to consult with their own professional advisers. The Combined Financial Statements reflects certain estimates, assumptions and judgements made by Vena Energy. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities as of the dates presented as well as revenue and expenses reported for the periods presented. As a result, the Combined Financial Statements is not necessarily indicative of what Vena Energy's actual results of operations, financial position and cash flow would have been on or as of such dates, nor does it purport to project Vena Energy's results of operations, financial position or cash flows for any future period or date.

The Combined Financial Statements has been prepared for illustrative purposes only and does not represent Vena Energy's actual consolidated financial condition or results of operations, and is not intended to be indicative of Vena Energy's future financial condition and results of operations. The adjustments set forth in the Combined Financial Statements are based upon available information and assumptions that Vena Energy's management believes to be reasonable.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries

(Formerly known as Vena Energy Holdings Ltd
and its Subsidiaries)

Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries

(Formerly known as Vena Energy (Taiwan) Holdings Ltd
and its Subsidiaries)

Zenith Japan Holdings Trust and its Subsidiaries

Combined Financial Statements
For the year ended 31 December 2023

Building a better
working world

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

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Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Independent Auditor's Report
For the year ended 31 December 2023

Board of Directors of Vena Energy Pte Ltd

Report on the non-statutory combined financial statements

Opinion

We have audited the non-statutory combined financial statements of Vena Energy Holdings Pte. Ltd. and its subsidiaries (formerly known as Vena Energy Holdings Ltd and its subsidiaries), Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries (formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries) and Zenith Japan Holdings Trust and its subsidiaries (collectively, the "Combined Group"), which comprise the combined statement of financial position as at 31 December 2023, the combined statement of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the combined financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying non-statutory combined financial statements of the Combined Group for the year ended 31 December 2023 are prepared, in all material respects, in accordance with the basis of preparation set out in Note 3 of the non-statutory combined financial statements (the "Basis of Preparation").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Combined Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the non-statutory combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of combination, preparation and restriction on distribution and use

We draw attention to Notes 2 and 3 to the non-statutory combined financial statements, which describes the basis of combination and preparation. The non-statutory combined financial statements are used by the Board of Directors to discharge its fiduciary duties. As a result, the non-statutory combined financial statements may not be suitable for another purpose. Our report is intended solely for the Combined Group, the existing bondholders and the potential bond investors for their information only. We do not assume responsibility to anyone other than the Combined Group for our work, for our report, or for the conclusions we have reached in our report. Our opinion is not modified in respect of this matter.

Responsibilities of management and the Board of Directors for the non-statutory combined financial statements

Management is responsible for the preparation of these non-statutory combined financial statements in accordance with the Basis of Preparation, for determining the acceptability of the Basis of Preparation in the circumstances, and for such internal controls as management determines is necessary to enable the preparation of the non-statutory combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory combined financial statements, management is responsible for assessing the Combined Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Combined Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Combined Group's financial reporting process.

Auditor's responsibilities for the audit of the non-statutory combined financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibilities for the audit of the non-statutory combined financial statements (cont'd)

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

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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

10 May 2024

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Profit or Loss
For the year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Sale of energy		492,729	394,452
Fee income		12,932	10,453
Total revenue	5	505,661	404,905
Other income	6	24,826	16,892
Operating costs	7(a)	(83,736)	(65,734)
Other costs of operations	7(b)	(20,890)	(16,169)
Shared services costs	8	(79,219)	(51,430)
Development costs	9	(2,146)	(3,781)
Depreciation expense	15,16	(128,382)	(99,390)
Amortisation expense	17	(70,823)	(60,461)
Results from operating activities		145,291	124,832
Finance income	10	20,006	13,586
Finance costs	10	(110,595)	(103,048)
Change in fair value of financial instruments at fair value through profit or loss ("FVTPL")	11	1,728	(8,167)
Net foreign exchange gain/(loss)		204	(27,684)
Net finance costs		(88,657)	(125,313)
Loss on disposal of property, plant and equipment		(513)	(627)
Impairment loss reversed on property, plant and equipment		–	286
Impairment loss recognised on financial assets, net	12	(3,500)	(2,723)
Bad debt written off		–	(752)
Write-off of project costs		(4,806)	(4,590)
Write-off of property, plant and equipment		–	(7,738)
Share of results of equity-accounted investees, net of tax	18	(7,161)	9,046
Write back of other payables		442	1,185
Profit/(loss) before tax	13	41,096	(6,394)
Tax expense	14	(23,559)	(5,118)
Profit/(loss) for the year		17,537	(11,512)
Profit/(loss) attributable to:			
Owners of the Holding Companies		6,167	(19,812)
Non-controlling interests		11,370	8,300
		17,537	(11,512)

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Comprehensive Income
For the year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Profit/(loss) for the year		17,537	(11,512)
Other comprehensive income ("OCI")			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		277	171
Remeasurement of defined benefit plan of equity-accounted investees	18	(5)	–
Related tax	14	(70)	(18)
Net fair value gain on equity instruments designated at fair value through other comprehensive income ("FVOCI")	34	7,105	–
		7,307	153
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(107,160)	(349,264)
Foreign currency translation differences of equity-accounted investees	18	(13,520)	(34,038)
Effective portion of changes in fair value of cash flow hedge, net	22	(74,687)	(91,478)
Effective portion of hedge of net investment in foreign operation	22	29,155	66,331
		(166,212)	(408,449)
Other comprehensive income for the year		(158,905)	(408,296)
Total comprehensive income for the year		(141,368)	(419,808)
Total comprehensive income attributable to:			
Owners of the Holding Companies		(150,341)	(426,323)
Non-controlling interests		8,973	6,515
		(141,368)	(419,808)

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Nitin Srinivas Apte
Director, Vena Energy Pte Ltd
10 May 2024

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Rupert Charles Collinson Hall
Director, Vena Energy Pte Ltd
10 May 2024

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Financial Position
As at 31 December 2023

	Note	2023 US$'000	2022 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	3,137,855	2,795,665
Right-of-use assets	16	375,706	347,648
Intangible assets	17	2,022,480	1,996,132
Equity-accounted investees	18	491,063	514,120
Other investments	19	7,549	2,559
Deferred tax assets	20	19,551	14,836
Loans receivables	21	23,551	20,924
Derivative assets	22	156,582	141,391
Prepayments and other assets	23	29,705	20,531
Trade and other receivables	24	36,802	44,035
Restricted cash	25	51,275	31,360
		6,352,119	5,929,201
Current assets			
Loans receivables	21	8,730	7,056
Trade and other receivables	24	126,514	235,995
Prepayments and other assets	23	29,449	21,885
Derivative assets	22	2,456	6,622
Cash and bank balances	25	596,928	439,484
		764,077	711,042
Total assets		7,116,196	6,640,243
Equity			
Share capital and units in issue	26	3,629,399	3,554,399
Accumulated (losses)/profits		(17,248)	20,761
Reserves	28	(615,987)	(431,347)
Equity attributable to Owners of the Holding Companies		2,996,164	3,143,813
Non-controlling interests	29	151,123	80,673
Total equity		3,147,287	3,224,486

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Combined Statement of Financial Position (cont'd)
As at 31 December 2023

	Note	2023 US$'000	2022 US$'000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	30	3,016,234	2,469,698
Lease liabilities	30	361,636	344,581
Employee benefits		703	770
Trade and other payables	32	10,946	6,180
Derivative liabilities	22	87,395	39,445
Asset retirement obligation	31	83,063	72,153
Deferred tax liabilities	20	13,123	11,778
		3,573,100	2,944,605
Current liabilities			
Loans and borrowings	30	236,431	277,824
Lease liabilities	30	18,740	13,376
Trade and other payables	32	125,188	167,198
Derivative liabilities	22	10,799	6,868
Current tax liabilities		4,651	5,886
		395,809	471,152
Total liabilities		3,968,909	3,415,757
Total equity and liabilities		7,116,196	6,640,243

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Changes in Equity
For the year ended 31 December 2023

	Note	Attributable to Owners of the Holding Companies									
		Share capital and units in issue US$'000	**Accumulated profits/ (losses)** US$'000	**Capital reserve** US$'000	**Translation reserve** US$'000	**Cash flow hedge reserve** US$'000	**Fair value reserve** US$'000	**Other reserve** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total equity** US$'000
At 1 January 2023		3,554,399	20,761	50,000	(390,702)	(91,478)	–	833	3,143,813	80,673	3,224,486
Profit for the year		–	6,167	–	–	–	–	–	6,167	11,370	17,537
Other comprehensive income											
Foreign currency translation differences		–	–	–	(104,763)	–	–	–	(104,763)	(2,397)	(107,160)
Foreign currency translation differences of equity-accounted investees	18	–	–	–	(13,520)	–	–	–	(13,520)	–	(13,520)
Remeasurement of defined benefit plan		–	–	–	–	–	–	277	277	–	277
Remeasurement of defined benefit plan of equity-accounted investees	18	–	–	–	–	–	–	(5)	(5)	–	(5)
Tax on other comprehensive income		–	–	–	–	–	–	(70)	(70)	–	(70)
Net fair value gain on equity instruments designated at FVOCI	34	–	–	–	–	–	7,105	–	7,105	–	7,105
Effective portion of changes in fair value of cash flow hedge, net	22	–	–	–	–	(74,687)	–	–	(74,687)	–	(74,687)
Effective portion of hedge of net investment in foreign operation	22	–	–	–	29,155	–	–	–	29,155	–	29,155
Total comprehensive income for the year		–	6,167	–	(89,128)	(74,687)	7,105	202	(150,341)	8,973	(141,368)

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Changes in Equity (cont'd)
For the year ended 31 December 2023

		Attributable to Owners of the Holding Companies									
	Note	**Share capital and units in issue** US$'000	**Accumulated profits/ (losses)** US$'000	**Capital reserve** US$'000	**Translation reserve** US$'000	**Cash flow hedge reserve** US$'000	**Fair value reserve** US$'000	**Other reserve** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total equity** US$'000
Transactions with owners, recognised directly in equity											
Issuance of ordinary shares	27	1,785,942	–	(50,000)	–	–	–	–	1,735,942	–	1,735,942
Redemption of units	27	(1,710,942)	(25,000)	–	–	–	–	–	(1,735,942)	–	(1,735,942)
Acquisition of subsidiaries	37	–	–	–	–	–	–	–	–	47,985	47,985
Transfer of Tokumei Kumiai ("TK") interests without a loss in control	29	–	(16,998)	–	19,690	–	–	–	2,692	28,366	31,058
Dividends paid to non-controlling interests	29	–	–	–	–	–	–	–	–	(14,874)	(14,874)
Total transactions with owners		75,000	(41,998)	(50,000)	19,690	–	–	–	2,692	61,477	64,169
Reallocation of profits to legal reserve	28	–	(2,178)	–	–	–	–	2,178	–	–	–
At 31 December 2023		3,629,399	(17,248)	–	(460,140)	(166,165)	7,105	3,213	2,996,164	151,123	3,147,287

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Changes in Equity (cont'd)
For the year ended 31 December 2023

		Attributable to Owners of the Holding Companies								
	Note	**Share capital and units in issue** US$'000	**Accumulated profits** US$'000	**Capital reserve** US$'000	**Translation reserve** US$'000	**Cash flow hedge reserve** US$'000	**Other reserve** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total equity** US$'000
At 1 January 2022		3,554,399	47,213	50,000	(75,516)	–	252	3,576,348	82,196	3,658,544
(Loss)/profit for the year		–	(19,812)	–	–	–	–	(19,812)	8,300	(11,512)
Other comprehensive income										
Foreign currency translation differences		–	–	–	(347,479)	–	–	(347,479)	(1,785)	(349,264)
Foreign currency translation differences of equity-accounted investees	18	–	–	–	(34,038)	–	–	(34,038)	–	(34,038)
Remeasurement of defined benefit plan		–	–	–	–	–	171	171	–	171
Tax on other comprehensive income		–	–	–	–	–	(18)	(18)	–	(18)
Effective portion of changes in fair value of cash flow hedge, net	22	–	–	–	–	(91,478)	–	(91,478)	–	(91,478)
Effective portion of hedge of net investment in foreign operation	22	–	–	–	66,331	–	–	66,331	–	66,331
Total comprehensive income for the year		–	(19,812)	–	(315,186)	(91,478)	153	(426,323)	6,515	(419,808)
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interests	29	–	(6,212)	–	–	–	–	(6,212)	(5,388)	(11,600)
Issuance of ordinary shares		–	–	–	–	–	–	–	288	288
Dividends paid to non-controlling interests	29	–	–	–	–	–	–	–	(2,938)	(2,938)
Total transactions with owners		–	(6,212)	–	–	–	–	(6,212)	(8,038)	(14,250)
Reallocation of profits to legal reserve	28	–	(428)	–	–	–	428	–	–	–
At 31 December 2022		3,554,399	20,761	50,000	(390,702)	(91,478)	833	3,143,813	80,673	3,224,486

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Cash Flows
For the year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Profit/(loss) before tax		41,096	(6,394)
Adjustments for:			
Depreciation expense	15,16	128,382	99,390
Amortisation expense	17	70,823	60,461
Loss on disposal of property, plant and equipment		513	627
Write-off of property, plant and equipment		–	7,738
Impairment loss reversed of property, plant and equipment		–	(286)
Write-off of project costs	(a)	4,806	4,590
Bad debt written off		–	752
Write back of other payables		(442)	(1,185)
Impairment losses recognised on financial assets, net	12	3,500	2,723
Finance income	10	(20,006)	(13,586)
Finance costs	10	110,595	103,048
Change in fair value of financial instruments at FVTPL	11	(1,728)	8,167
Unrealised foreign exchange loss		3,162	24,723
Share of results of equity-accounted investees, net of tax	18	7,161	(9,046)
		347,862	281,722
Changes in:			
- Trade and other receivables		104,273	(64,330)
- Prepayments and other assets		(16,366)	(10,981)
- Trade and other payables		(50,311)	7,077
- Provisions and employee benefits		202	185
Cash generated from operating activities		385,660	213,673
Tax paid		(12,970)	(12,559)
Net cash generated from operating activities		372,690	201,114
Cash flows from investing activities			
Acquisition of non-controlling interests	29	–	(11,600)
Proceeds from transfer of TK interests	29	31,058	–
Acquisition of subsidiaries, net cash paid	37	(9,164)	–
Contribution to equity-accounted investees	18	(34,556)	(56,398)
Acquisition of equity-accounted investees	18	–	(4,916)
Distributions from equity-accounted investees	18	33,928	13,038
Redemption of units from equity accounted investees	18	2,999	–
Settlement of derivatives		(2,384)	3,813
Disbursement of loans to equity-accounted investees		(4,885)	(10,711)
Repayment of loans from equity-accounted investees		2,296	4,533
Purchase of property, plant and equipment	(b)	(447,343)	(641,993)
Proceeds from disposal of property, plant and equipment		1,030	1,943
Interest received		8,245	3,493
Net cash used in investing activities		(418,776)	(698,798)

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
Vena Energy Taiwan Holdings Pte. Ltd. and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Combined Statement of Cash Flows (cont'd)
For the year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from financing activities			
Proceeds from issuance of shares to non-controlling interests		–	288
Dividends paid to non-controlling interests	29	(14,874)	(2,938)
Proceeds from drawdown of loans and borrowings			
- Project finance debts	30	592,201	808,022
- Revolving credit facilities	30	420,240	301,574
- Working capital loans	30	2,293	10,067
Repayment of loans and borrowings			
- Project finance debts	30	(250,382)	(201,100)
- Revolving credit facilities	30	(425,708)	(285,997)
- Working capital loans	30	(6,022)	(17,611)
Principal repayment of lease liabilities	30	(16,023)	(12,132)
Transaction costs related to loans and borrowings			
- Project finance debts	30	(6,876)	(19,849)
- Revolving credit facilities	30	(2,979)	(1,851)
- Issuance of Euro Medium Term Note	30	–	(88)
Interest paid			
- Project finance debts	30	(79,835)	(67,168)
- Revolving credit facilities	30	(1,068)	(757)
- Working capital loans	30	(193)	(1,844)
- Euro Medium Term Note	30	(15,665)	(15,656)
- Lease liabilities	30	(4,627)	(4,427)
Net interest received from derivatives		9,678	4,418
Deposits unpledged/(pledged)		26,582	(49,443)
Net cash generated from financing activities		226,742	443,508
Net increase/(decrease) in cash and cash equivalents		180,656	(54,176)
Cash and cash equivalents at 1 January		297,618	369,819
Effect of exchange rate fluctuations on cash and cash equivalents		23,338	(18,025)
Cash and cash equivalents at 31 December	25	501,612	297,618

(a) Includes property, plant and equipment (Note 15), intangible assets (Note 17), prepayments and other assets (Note 23) and trade and other receivables (Note 24) written off of US$4.4 million (2022: US$5.0 million), US$Nil million (2022: US$2.9 million), US$0.4 million (2022: US$Nil million) and US$Nil million (2022: US$5.6 million) respectively. Includes write back of trade and other payables (Note 32) of US$Nil million (2022: US$8.9 million).

(b) The Combined Group purchased property, plant and equipment amounting to US$409.0 million, (2022: US$720.4 million), which included the provision for asset retirement obligation of US$4.3 million (2022: US$29.5 million). The Combined Group's payables to EPC contractors have reduced by US$42.6 million due to payments made against these liabilities (2022: increased by US$49.0 million due to an increase in obligations).

The accompanying accounting policies and explanatory notes form an integral part of the combined financial statements.

Significant non-cash transactions:

a) During the year, part of the Tokumei Kumiai interests ("TK Interests") of certain special purpose vehicles ("GKs" or "TK Operators") were transferred from Zenith Japan Holding Trust's ("ZJHT") subsidiary, Zenith Japan Trust ("ZJT"), to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of Vena Energy Holdings Pte. Ltd. ("VEHPL") for a total purchase consideration of US$1,693.7 million. The purchase consideration for this transaction was fulfilled by APAC via the issuance of promissory notes ("Promissory Notes") to ZJT.

   Certain transactions in connection with the above were executed, including, without limitation, the following:

   i) The redemption of 1,575.2 million units at an average price of US$1.08 per unit by ZJHT's unitholder, totaling US$1,693.7 million. Out of which, US$25.0 million was paid out of retained earnings to ZJHT's unitholder. The redemption price of this redemption was satisfied by assignment of ZJHT's rights and obligations under the Promissory Notes to the unitholder.

   ii) VEHPL's shareholder subscribed to a total of 435.0 million ordinary shares at an aggregate subscription amount of US$1,693.7 million. The subscription amount of these subscriptions was satisfied in kind by way of an assignment of the shareholder's rights and obligations under the Promissory Notes by the shareholder to VEHPL.

b) In July 2023, VEHPL utilised US$50.0 million from its capital reserve to issue new fully paid shares to its shareholder.

c) In September 2023, ZJHT and VEHPL underwent a loan restructuring which was aimed to extinguish an outstanding loan. Certain transactions in connection with the above were executed, including, without limitation, the following:

   i) Redemption of 41.8 million units at an average price of US$1.01 per unit in ZJHT, totaling US$42.2 million; and

   ii) Issuance of 42.2 million ordinary shares at US$1.00 per share by VEHPL to its shareholder at an aggregate subscription amount of US$42.2 million.

No cash inflow or outflow occurred within the Combined Group as a result of the aforementioned transactions.

1. Domicile and activities

Reporting entity	Registration date	Place of registration	Registered address
Vena Energy Holdings Pte. Ltd.[1]	4 September 2023	Singapore	1 George Street, #14-07 One George Street, Singapore 049145
Vena Energy Taiwan Holdings Pte. Ltd.[2]	15 November 2023	Singapore	
Zenith Japan Holdings Trust[3]	18 October 2017	Island of Guernsey	N/A

[1] Formerly known as Vena Energy Holdings Ltd, was incorporated in the Cayman Islands on 13 October 2017 and had its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1103, Cayman Islands. On 4 September 2023, the Company redomiciled to Singapore as a private company limited by shares.

[2] Formerly known as Vena Energy (Taiwan) Holdings Ltd, was incorporated in the Cayman Islands on 13 October 2017 and had its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1103, Cayman Islands. On 15 November 2023, the Company redomiciled to Singapore as a private company limited by shares.

[3] Zenith Japan Holdings Ltd, a company incorporated under the laws of Guernsey whose registered office is at Level 3, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ, is appointed as Trustee of Zenith Japan Holdings Trust.

Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd. and Zenith Japan Holdings Trust are each known as a “Holding Company” and collectively the “Holding Companies”. The Holding Companies along with their subsidiaries are collectively known as the “Combined Group”. The Combined Group is not an existing legal entity for the period presented in these combined financial statements (“Combined financial statements”).

The principal activity of the Combined Group is that of developer, owner and operator of renewable energy assets in the Asia-Pacific region.

Vena Energy Holdings Pte. Ltd. together with Vena Energy Taiwan Holdings Pte. Ltd. and Zenith Japan Holdings Ltd (as trustee for Zenith Japan Holdings Trust) (collectively called “Guarantors”) act as guarantors on a joint and several basis for notes listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) under a US$1 billion Global Medium Term Note Programme (the “Notes”) by Vena Energy Capital Pte. Ltd., a subsidiary of Vena Energy Holdings Pte. Ltd..

On 19 January 2018, the Holding Companies acquired a portfolio of renewable energy assets from Equis Pte. Ltd. and its affiliates for a total consideration of US$5.0 billion (including assumed liabilities of US$1.3 billion) (the “Acquisition”). As part of the Acquisition, Vena Energy Holdings Pte. Ltd. acquired economic interests in renewable energy assets in Australia, India, Indonesia, the Philippines and Thailand, as well as the asset management capabilities of Equis Energy. Zenith Japan Holdings Trust acquired economic interests in renewable energy assets in Japan and Vena Energy Taiwan Holdings Pte. Ltd. acquired economic interests in renewable energy assets in the Philippines and Taiwan.

1. Domicile and activities (cont'd)

Vena Energy Holdings Pte. Ltd. and Vena Energy Taiwan Holdings Pte. Ltd. have identical board of directors through the periods presented in these combined financial statements, but the two entities did not form a legal group during any period presented. Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) is the beneficiary of Zenith Japan Trust (whose trustee is Zenith Japan Ltd). Zenith Japan Holdings Ltd and Vena Energy Holdings Pte. Ltd. have entered into numerous Tokumei Kumiai arrangements that gives them an economic interest in the Combined Group's assets in Japan (the "Japanese Assets"). The Japanese Assets have entered into asset management agreements with certain Japanese companies owned by Vena Energy Holdings Pte. Ltd..

1.1 *Purpose of the combined financial statements*

The combined financial statements were drawn up for the Board of Directors to discharge its fiduciary duties.

2. Basis of combination

The combined financial statements consist of the historical consolidated financial statements of Vena Energy Holdings Pte. Ltd. and its subsidiaries, Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries and Zenith Japan Holdings Trust and its subsidiaries for the year ended 31 December 2023 on a combined basis.

The combined financial statements have been derived from the aggregation of the consolidated assets, consolidated liabilities, consolidated income, consolidated expenses and consolidated cash flows of Vena Energy Holdings Pte. Ltd. and its subsidiaries, Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries and Zenith Japan Holdings Trust and its subsidiaries, and in accordance with the Combined Group's accounting policies as set out in Note 4. All balances, income, expenses and unrealised gains and losses arising from transactions between entities of the combining entities were eliminated when preparing the combined financial statements.

During the year, part of the Tokumei Kumiai interests ("TK Interests") of certain special purpose vehicles ("GKs" or "TK Operators"), classified as Zenith Japan Holdings Trust's indirect subsidiaries, were transferred to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of Vena Energy Holdings Pte. Ltd..

Following this transfer, the GKs ceased to be indirect subsidiaries of Zenith Japan Holdings Trust and the retained TK interests in the GKs are classified as a financial asset. On the other hand, Vena Energy Holdings Pte. Ltd. assessed and concluded that the GKs met the definition of subsidiaries under International Financial Reporting Standards, leading to their consolidation into the financial statements of Vena Energy Holdings Pte. Ltd. and its subsidiaries.

The ultimate beneficiary interests in the GKs remain unchanged as a result of the transfer and there is no impact on the combined financial statements. The retained TK interests that Zenith Japan Holdings Trust classified as a financial asset were derecognised when preparing the combined financial statements.

3. Basis of preparation

The combined financial statements have been prepared in accordance with the accounting policies of the Combined Group as set out in Note 4 below.

The purpose of the combined financial statements is to show the combined financial position, financial performance, changes in equity and cash flows of the Combined Group as a single performance unit as at and for the year ended 31 December 2023.

The Combined Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Combined Group has adequate resources to continue in operational existence for the foreseeable future.

3.1 *Basis of measurement*

The combined financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.2 *Functional and presentation currency*

Items included in the combined financial statements of each of the Holding Companies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The combined financial statements is presented in United States dollars ("US$" or "USD") which is the Combined Group's presentation currency and have been rounded to the nearest thousand, unless otherwise stated.

3.3 *Use of judgements and estimates*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Basis of preparation (cont'd)

3.3 *Use of judgements and estimates (cont'd)*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 17 – impairment test of goodwill, intangible assets and property, plant and equipment: key assumptions underlying recoverable amounts, including the recoverability of development costs;

- Note 33 – measurement of expected credit loss ("ECL") allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; and

- Note 34 – fair value measurement of financial instruments measured at fair value through profit or loss or through other comprehensive income.

Measurement of fair values

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

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

3. Basis of preparation (cont'd)

3.3 *Use of judgements and estimates (cont'd)*

Measurement of fair values (cont'd)

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

Further information about the assumptions made in measuring fair values is included Note 34.

3.4 *Changes in accounting policies*

New standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Combined Group has adopted all the new and amended International Financial Reporting Standards ("IFRS") which are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial statements of the Combined Group.

3.5 *Standards issued but not yet effective*

The Combined Group has not adopted the following amendments applicable to the Combined Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 *Statement of Cashflows* and IFRS 7 *Financial Instruments: Disclosures*: Supplier Finance Arrangement Disclosures	1 January 2024
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates:* Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the amendments above will have no material impact on the financial statements in the period of initial application.

4. Material accounting policy information

The accounting policies set out below have been consistently applied by the Combined Group ("Combined Group accounting policies").

4.1 *Basis of consolidation*

(i) Business combinations

The Combined Group accounts for business combinations using the acquisition method when control is transferred to the Combined Group.

In determining whether a particular set of activities and assets is a business, the Combined Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Combined Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

In applying the acquisition method, the consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration is recognised in profit or loss.

Non-controlling interests ("NCI") that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by the Combined Group accounting policies.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Combined Group incurs in connection with a business combination are expensed as incurred.

4. Material accounting policy information (cont'd)

4.1 *Basis of consolidation (cont'd)*

(i) Business combinations (cont'd)

The Combined Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

The Combined Group recognises goodwill on a provisional basis if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. During the measurement period, such provisional amounts are retrospectively adjusted from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Changes in the Combined Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Combined Group. The Combined Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Combined Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

The Combined Group accounts for indirectly held interests in subsidiaries through equity accounted investees by including such interests in the parent's share when determining the percentage of interest attributable to NCI.

4. Material accounting policy information (cont'd)

4.1 *Basis of consolidation (cont'd)*

(ii) Subsidiaries (cont'd)

Loss of control

When the Combined Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Interest in equity-accounted investees

The Combined Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Combined Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control, over those policies. A joint venture is an arrangement in which the Combined Group has joint control, whereby the Combined Group has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Significant influence is presumed to exist when the Combined Group holds 20% or more of the voting power of another entity.

Investments in equity-accounted investees are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the combined financial statements include the Combined Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Combined Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Combined Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Combined Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Investments in equity-accounted investees are derecognised when the Combined Group loses significant influence or joint control. If the retained interest in the former equity-accounted investee is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the profit or loss.

4. Material accounting policy information (cont'd)

4.1 *Basis of consolidation (cont'd)*

(iv) Transactions eliminated on consolidation

Balances and transactions between entities within the Combined Group, and any unrealised income and expenses arising transactions between entities within the Combined Group, are eliminated in preparing the combined financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Combined Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.2 *Foreign currency*

(i) Foreign currency transactions

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

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

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on translation of a financial liability designated as a hedge of the net investment in foreign operation that is effective, an equity instrument at fair value through other comprehensive income, or qualifying cash flow hedges which are recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at monthly average exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

4. Material accounting policy information (cont'd)

4.2 *Foreign currency (cont'd)*

(ii) Foreign operations (cont'd)

Foreign currency differences are recognised in OCI and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Combined Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Combined Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

4.3 *Property, plant and equipment*

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Combined Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing items and restoring the site on which they are located; and
- capitalised borrowing costs.

4. Material accounting policy information (cont'd)

4.3 *Property, plant and equipment (cont'd)*

(i) Recognition and measurement (cont'd)

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Combined Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Combined Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvements	2 - 40 years
Electric generator equipment	1 - 30 years
Vehicles	3 - 8 years
Computers, fittings and fixtures and office equipment	2 - 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

No depreciation is provided for freehold land and assets under construction.

4. Material accounting policy information (cont'd)

4.4 *Intangible assets and goodwill*

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Combined Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to the cash-generating unit ("CGU") for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations, land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses.

(iii) Service concession intangible assets

Service concession intangible assets represent intangible asset arising from a service concession arrangement when it has a right to charge the grantor for the provision of electricity.

Service concession intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses.

(iv) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Project-related agreements and licences	10 – 30 years
Service concession intangible assets	20 – 30 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

4. Material accounting policy information (cont'd)

4.5 *Financial instruments*

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Combined Group becomes a party to the contractual provisions of the instrument.

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

Financial assets at amortised cost

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

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

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

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

4. Material accounting policy information (cont'd)

4.5 *Financial instruments (cont'd)*

(ii) Classification and subsequent measurement (cont'd)

Equity investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Combined Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Combined Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Combined Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4. Material accounting policy information (cont'd)

4.5 *Financial instruments (cont'd)*

(ii) Classification and subsequent measurement (cont'd)

Financial assets – Assessment whether contractual cashflows are solely payments of principal and interest

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

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

4. Material accounting policy information (cont'd)

4.5 *Financial instruments (cont'd)*

(ii) Classification and subsequent measurement (cont'd)

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

The Combined Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

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

4. Material accounting policy information (cont'd)

4.5 *Financial instruments (cont'd)*

(iii) Derecognition

Financial assets

The Combined Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Combined Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

The Combined Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

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

(v) Derivative financial instruments and hedge accounting

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Combined Group designates certain derivatives as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Combined Group documents the risk management objective and strategy for undertaking the hedge. The Combined Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

4. Material accounting policy information (cont'd)

4.5 *Financial instruments (cont'd)*

(v) Derivative financial instruments and hedge accounting (cont'd)

Net investment hedges

The Combined Group designates certain derivatives as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of the changes in the fair value of the hedging instrument is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Cash flow hedges

The Combined Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in wholesale electricity spot price.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the cash flow hedge reserve. The effective portion of changes in fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of in fair value of the derivative is recognised immediately in the profit or loss.

Amounts previously recognised in OCI and accumulated in cash flow hedge reserve are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Combined Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in cash flow hedge reserve at that time remains in cash flow hedge reserve and is recognised in profit or loss in the same period as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss.

4. Material accounting policy information (cont'd)

4.6 *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Combined Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Combined Group's cash management are included in cash and cash equivalents.

4.7 *Share capital*

Ordinary shares and units in issue

Ordinary shares and units in issue are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and units are recognised as a deduction from equity, net of any tax effects.

Share premium

Share premium represents the excess amounts over the par value of each ordinary share issued.

Repurchase of shares and redemption of units

When shares and units recognised as equity are repurchased or redeemed, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity.

4.8 *Impairment*

(i) *Non-derivative financial assets*

The Combined Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- contract assets.

Loss allowances of the Combined Group are measured on either of the following bases:

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

4. Material accounting policy information (cont'd)

4.8 *Impairment (cont'd)*

(i) Non-derivative financial assets (cont'd)

Simplified approach

The Combined Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

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

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

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

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

The Combined Group considers the counterparty to be in default if the counterparty is unlikely to pay its contractual obligations to the Combined Group in full, without recourse by the Combined Group to actions such as realising security (if any is held).

Measurement of ECLs

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

4. Material accounting policy information (cont'd)

4.8 *Impairment (cont'd)*

(i) Non-derivative financial assets (cont'd)

Credit-impaired financial assets

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

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Combined Group on terms that the Combined Group would not consider otherwise;
- it is probable that the borrower or counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Combined Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Combined Group's procedures for recovery of amounts due.

4. Material accounting policy information (cont'd)

4.8 *Impairment (cont'd)*

(ii) Non-financial assets

The carrying amounts of the Combined Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the Combined Group performs an impairment assessment on an annual basis and the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Combined Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an equity-accounted investee is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in equity-accounted investee is tested for impairment as a single asset when there is objective evidence that the investment in an equity-accounted investee may be impaired.

4. Material accounting policy information (cont'd)

4.9 *Provisions*

A provision is recognised if, as a result of a past event, the Combined Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Asset retirement obligation

Provisions for environmental restoration and restructuring are recognised when the Combined Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

4.10 *Revenue*

Sale of energy

Revenue from sale of energy in the ordinary course of business is recognised in profit or loss when the Combined Group satisfies a performance obligation ("PO") by transferring control of the electricity generated to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is determined based on the applicable tariff rates. Transaction price is the amount of consideration in the contract to which the Combined Group expects to be entitled in exchange for transferring the promised service. Consideration payable to a customer is deducted from the transaction price if the Combined Group does not receive a separate identifiable benefit from the customer.

Revenue from sale of energy is recognised in profit or loss when the electricity generated is dispatched to the customer over time.

Revenue is determined based on the units of sales delivered at the applicable tariff rates.

An element of significant financing component is deemed present for the Combined Group's sale of energy for contracts whereby the period between the satisfaction of PO and when the customer pays the transaction price exceeds one year. For these contracts, the Combined Group adjusts the promised consideration for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Combined Group and its customer at the contract inception, such that it reflects the credit characteristics of the party receiving the benefit of financing in the contract.

4. Material accounting policy information (cont'd)

4.10 *Revenue (cont'd)*

Service concession arrangements

Revenue related to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract. Operation or service revenue is recognised in the period in which the services are provided by the Combined Group. When the Combined Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

Fee income

Revenue from fee income is recognised over time when the customers simultaneously receive and consume the benefits.

Dividend income

Dividend income is recognised in profit or loss when the right to receive income is established. For unquoted equity securities, dividend income is recognised when the shareholders have approved the payment of a dividend.

4.11 *Government grants*

The Combined Group recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Combined Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Combined Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

4.12 *Employee benefits*

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Combined 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.

4. Material accounting policy information (cont'd)

4.12 *Employee benefits (cont'd)*

(ii) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Combined Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Combined Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Combined Group determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Combined Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Combined Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Remeasurement are recognised in profit or loss in the period in which they arise.

4. Material accounting policy information (cont'd)

4.13 *Operating costs*

Operating costs include expenditure that are incurred by the Combined Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

4.14 *Shared services costs*

Shared services costs include expenditure that are incurred by the Combined Group's service entities in providing shared services and asset management services to renewable energy assets of the Combined Group's affiliates.

4.15 *Development costs*

Development costs include expenditure that are incurred by the Combined Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

4.16 *Finance income and finance costs*

Finance income comprises of interest income. Finance costs comprises of interest expense on borrowings and other finance costs.

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

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

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

4. Material accounting policy information (cont'd)

4.17 *Tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Combined Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals for existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Combined Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

4. Material accounting policy information (cont'd)

4.17 *Tax (cont'd)*

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Combined Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.18 *Leases*

At inception of a contract, the Combined Group assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Combined Group uses the definition of a lease in accordance with the Combined Group accounting policies.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Combined Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Combined Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Combined Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

4. Material accounting policy information (cont'd)

4.18 *Leases (cont'd)*

As a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Combined Group by the end of the lease term or the cost of the right-of-use asset reflects that the Combined Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment as follows:

Land and buildings	2 – 39 years
Office lease	1 – 30 years
Others	1 – 5 years

Right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Combined Group uses the lessee's incremental borrowing rate as the discount rate.

The Combined Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Combined Group is reasonably certain to exercise, lease payments in an optional renewal period if the Combined Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Combined Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Combined Group's estimate of the amount expected to be payable under a residual value guarantee, if the Combined Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

4. Material accounting policy information (cont'd)

4.18 *Leases (cont'd)*

As a lessee (cont'd)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Combined Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the statement of financial position.

Sale and leaseback transactions as a seller-lessee

A sale and leaseback transaction is one where the Combined Group sells an asset and immediately leases that asset back from the buyer.

For sale and leaseback transactions, the Combined Group first determines whether the transfer is accounted for as a sale by assessing whether the control of the asset has transferred to the buyer.

Where the transfer is accounted for as a sale, the Combined Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Combined Group. Any gain or loss arising relates to the rights transferred to the buyer. If the fair value of the consideration for the sale of the asset does not equal to the fair value of the asset, or if the lease payments are not at market rates, the Combined Group measures the sale proceeds at fair value by adjusting any below-market terms as a prepayment of lease payments and any above-market terms as additional financing provided by buyer-lessor to the seller-lessee.

Where the transfer is not accounted for as a sale, the Combined Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The financial liability is accounted for as a financial liability at amortised cost.

Short-term leases and leases of low-value assets

The Combined Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Combined Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Material accounting policy information (cont'd)

4.18 *Leases (cont'd)*

As a lessor

At inception or on modification of a contract that contains a lease component, the Combined Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Combined Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Combined Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Combined Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Combined Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Combined Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Combined Group applies the Combined Group's policy to allocate the consideration in the contract.

Sale and leaseback transactions as a buyer-lessor

A sale and leaseback transaction is one where the Combined Group buys an asset and immediately leases that asset back to the seller.

For sale and leaseback transactions, the Combined Group first determines whether the transfer is accounted for as a sale by assessing whether the control of the asset has been acquired by the Combined Group.

Where the transfer is accounted for as a sale, the Combined Group recognises the underlying asset at the fair value and determines at lease inception whether each lease is a finance lease or an operating lease. If the fair value of the consideration for the sale of the asset does not equal to the fair value of the asset, or if the lease payments are not at market rates, the Combined Group recognises the underlying asset at fair value by adjusting any below-market terms as a prepayment of lease payments and any above-market terms as additional financing provided by buyer-lessor to the seller-lessee.

Where the transfer is not accounted for as a sale, the Combined Group does not recognise the underlying asset and recognises a financial asset under the Combined Group's policy for the amount transferred to the seller. The financial asset is accounted for as a financial asset at amortised cost.

5. Revenue

The Combined Group's revenue comprises:

	2023 US$'000	**2022** US$'000
Sale of energy	492,729	394,452
Fee income		
- Shared services fee income from equity-accounted investees	12,932	10,453
Revenue recognised over time	505,661	404,905

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and major products.

	2023 US$'000	**2022** US$'000
Sale of energy		
Japan	204,447	144,502
Thailand	42,612	42,122
India	90,934	90,113
Australia	21,026	16,310
Indonesia	40,618	26,511
Taiwan	93,092	74,894
	492,729	394,452
Fee income		
Shared services fee	12,932	10,453
Total revenue	505,661	404,905

Contract balances

Please refer to Note 24 for contract assets primarily relating to the Combined Group's right to consideration for sale of renewable energy which has not been billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Combined Group invoices the customer.

6. Other income

	2023 US$'000	**2022** US$'000
Insurance claim	3,956	6,485
Liquidated damages	18,813	4,034
Government grants	6	428
Pre-commercial operating revenue	129	3,206
Others	1,922	2,739
	24,826	16,892

7(a). Operating costs

	2023 US$'000	**2022** US$'000
Operations and maintenance costs	37,948	34,183
Utilities and transmission costs	5,837	4,821
Asset related insurance	10,728	8,169
Professional fees	11,929	4,271
Rental - land and site office	698	1,040
Asset related tax and levies	14,203	10,506
Other general and administrative costs	2,393	2,744
	83,736	65,734

Staff costs of US$8.3 million (2022: US$7.0 million) is included within operations and maintenance costs.

7(b). Other costs of operations

	2023 US$'000	**2022** US$'000
Revenue sharing	16,191	14,050
Liquidated damages	4,699	1,941
Others	–	178
	20,890	16,169

Revenue sharing of US$16.2 million (2022: US$14.1 million) relates to the amount payable to a local government agency based on a percentage of the gross revenue derived from certain of the Combined Group's operational solar assets.

8. Shared services costs

	2023 US$'000	2022 US$'000
Staff costs	74,530	58,183
Directors and Investment Committee members fee	406	552
Occupancy costs	1,475	1,333
IT expenses	3,749	2,924
Professional fees	11,813	8,395
Insurance	899	899
Travel and entertainment expenses	4,037	2,907
Asset related tax and levies	1,320	201
Other general and administrative costs	8,208	3,851
	106,437	79,245
Less: Shared services costs capitalised	(27,218)	(27,815)
	79,219	51,430

9. Development costs

	2023 US$'000	2022 US$'000
Business related taxes	72	1,062
Insurance	7	11
Professional fees	1,262	1,680
Travel and entertainment expenses	72	136
Occupancy costs	13	54
Other general and administrative costs	720	838
	2,146	3,781

10. Finance income and finance costs

	2023 US$'000	2022 US$'000
Finance income		
Interest income from:		
- Loans to third parties	520	581
- Loans to equity accounted investees	494	348
- Bank deposits	8,225	2,766
- Cross currency swaps	10,767	9,891
Total finance income	20,006	13,586

10. Finance income and finance costs (cont'd)

	2023 US$'000	2022 US$'000
Finance costs		
Interest expense on:		
- Project finance debts	(72,617)	(65,395)
- Term loan and revolving credit facilities	(1,068)	(757)
- Euro Medium Term Note	(14,647)	(14,677)
- Interest rate swaps	(1,073)	(4,287)
- Lease liabilities	(4,871)	(3,024)
Other finance costs	(16,319)	(14,908)
Total finance costs	(110,595)	(103,048)

Included in other finance costs are deferred financing costs of US$3.0 million (2022: US$3.0 million) and unwinding of discount of asset retirement obligation of US$0.9 million (2022: US$0.7 million).

11. Change in fair value of financial instruments at FVTPL

	2023 US$'000	2022 US$'000
Gain/(loss) on change in fair value:		
- Equity investment	–	1,097
- Forward contract	891	(381)
- Interest rate swaps	(14,717)	52,601
- Cross currency interest rate swaps	(535)	9,869
Hedge ineffectiveness of electricity derivatives	5,819	(37,383)
Hedge ineffectiveness of cross-currency interest rate swaps	10,270	(33,970)
	1,728	(8,167)

12. Impairment loss recognised on financial assets, net

	2023 US$'000	2022 US$'000
Net impairment loss recognised on cash and bank balances	55	49
Net impairment loss recognised on trade and other receivables	3,862	2,674
Net impairment loss reversed on loans receivables	(417)	–
	3,500	2,723

13. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	2023 US$'000	2022 US$'000
Staff costs		
Wages and salaries	48,486	41,452
Ordinary bonus	14,717	9,007
Contributions to defined contribution plans	1,285	1,336
Employee insurance	3,337	2,943
Recruitment fee	1,592	1,416
Staff benefits, allowances and others	13,407	9,060
	82,824	65,214

14. Tax expense

	2023 US$'000	2022 US$'000
Current tax expense		
Withholding tax	14,856	6,191
Current year	11,532	9,490
Under provision of income tax from prior year	466	78
	26,854	15,759
Deferred tax credit		
Origination and reversal of temporary difference	(2,124)	(5,095)
Recognition of tax effect of previously unrecognised tax losses	(1,171)	(5,546)
	(3,295)	(10,641)
Tax expense	23,559	5,118
Tax recognised in OCI		
Defined benefit plan remeasurements	70	18

14. Tax expense (cont'd)

Reconciliation of effective tax rate

	2023 US$'000	**2022** US$'000
Profit/(loss) before tax	41,096	(6,394)
Tax at the domestic rates applicable to profits in the countries where the Combined Group operates	33,105	14,427
Effects of results of equity-accounted investees presented net of tax	(529)	(3,956)
Expenses non-deductible for tax purposes	21,679	19,623
Tax-exempt income/non-taxable income	(32,789)	(14,156)
Tax incentives	(13,732)	(11,655)
Recognition of previously unrecognised tax losses	(2,297)	(5,929)
Current-year losses for which no deferred tax asset is recognised	2,797	658
Withholding taxes	14,856	6,191
Under provision of income tax from prior year	466	78
Others	3	(163)
	23,559	5,118

The domestic rates of 10% - 29% are applicable to profits in the countries where the Combined Group's operations are primarily based.

Tax incentives refers to tax deductions allowed under the Combined Group's Tokumei Kumiai arrangements in Japan.

15. Property, plant and equipment

	Note	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computers, fittings and fixtures and office equipment US$'000	Assets under construction US$'000	Total US$'000
Cost								
At 1 January 2022		77,042	20,981	1,861,602	585	5,717	732,426	2,698,353
Additions		11,960	213	61,643	110	1,274	645,205	720,405
Disposal		(2,019)	(14)	(569)	–	(14)	(35)	(2,651)
Write-off	(a)	(18)	–	(856)	–	–	(12,793)	(13,667)
Reclassification		(146)	20	745,760	–	51	(745,685)	–
Reclassification into intangible assets	17	(7,460)	–	–	–	–	–	(7,460)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	16	–	–	–	–	–	7,312	7,312
Effect of exchange rate changes		(9,907)	(1,390)	(223,623)	(17)	(249)	(96,145)	(331,331)
At 31 December 2022		69,452	19,810	2,443,957	678	6,779	530,285	3,070,961
Acquisition of subsidiaries	37	–	–	162,215	–	–	–	162,215
Additions		5,095	165	22,587	356	1,789	378,979	408,971
Disposal		(85)	(202)	(1,531)	(32)	(46)	–	(1,896)
Write-off	(a)	–	–	–	–	–	(4,418)	(4,418)
Reclassification		(2,838)	285	235,707	–	–	(233,154)	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	16	–	–	–	–	–	6,428	6,428
Effect of exchange rate changes		(1,936)	784	(99,851)	(18)	76	(26,607)	(127,552)
At 31 December 2023		69,688	20,842	2,763,084	984	8,598	651,513	3,514,709

(a) Included US$4.4 million (2022: US$5.0 million) under "write-off of project costs" line item in Statement of Profit or Loss for the year ended 31 December 2023.

15. Property, plant and equipment (cont'd)

	Land	Building and leasehold improvements	Electric generator equipment	Vehicles	Computers, fittings and fixtures and office equipment	Assets under construction	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Accumulated depreciation and impairment losses							
At 1 January 2022	–	(4,322)	(207,044)	(222)	(3,803)	–	(215,391)
Depreciation expense	–	(1,306)	(86,241)	(113)	(1,183)	–	(88,843)
Impairment loss reversed	–	–	286	–	–	–	286
Disposal	–	–	81	–	–	–	81
Write-off	–	–	55	–	–	–	55
Effect of exchange rate changes	–	441	27,860	33	182	–	28,516
At 31 December 2022	–	(5,187)	(265,003)	(302)	(4,804)	–	(275,296)
Depreciation expense	–	(1,245)	(109,923)	(153)	(1,116)	–	(112,437)
Disposal	–	102	243	7	1	–	353
Effect of exchange rate changes	–	(36)	10,531	9	22	–	10,526
At 31 December 2023	–	(6,366)	(364,152)	(439)	(5,897)	–	(376,854)
Carrying amounts							
At 31 December 2022	69,452	14,623	2,178,954	376	1,975	530,285	2,795,665
At 31 December 2023	69,688	14,476	2,398,932	545	2,701	651,513	3,137,855

As at reporting date, property, plant and equipment of the Combined Group with carrying amounts of US$2,582.8 million (2022: US$2,210.3 million) were pledged as collateral to secure project finance debts.

The Combined Group assessed the impairment of property, plant and equipment together with its related intangible assets as described in Note 17.

16. Right-of-use assets

	Note	Land and buildings US$'000	Office lease US$'000	Others US$'000	Total US$'000
Cost					
At 1 January 2022		359,257	20,552	3,007	382,816
Additions		64,213	1,679	727	66,619
Lease modifications		(7,323)	88	(568)	(7,803)
Effect of exchange rate changes		(43,328)	(2,562)	(412)	(46,302)
At 31 December 2022		372,819	19,757	2,754	395,330
Acquisition of subsidiaries	37	20,135	–	–	20,135
Additions		40,177	5,349	3,240	48,766
Lease modifications		(829)	(3,150)	(986)	(4,965)
Lease termination		(8,352)	–	–	(8,352)
Effect of exchange rate changes		(10,127)	1,504	157	(8,466)
At 31 December 2023		413,823	23,460	5,165	442,448
Accumulated depreciation					
At 1 January 2022		(26,129)	(7,435)	(1,425)	(34,989)
Depreciation expense		(6,601)	(3,235)	(711)	(10,547)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	15	(7,299)	(13)	–	(7,312)
Lease modifications		518	46	382	946
Effect of exchange rate changes		3,609	381	230	4,220
At 31 December 2022		(35,902)	(10,256)	(1,524)	(47,682)
Depreciation expense		(10,872)	(3,418)	(1,655)	(15,945)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	15	(6,402)	(26)	–	(6,428)
Lease modifications		248	1,651	728	2,627
Lease termination		969	–	–	969
Effect of exchange rate changes		(116)	(212)	45	(283)
At 31 December 2023		(52,075)	(12,261)	(2,406)	(66,742)
Carrying amounts					
At 31 December 2022		336,917	9,501	1,230	347,648
At 31 December 2023		361,748	11,199	2,759	375,706

17. Intangible assets

	Note	Goodwill US$'000	Project-related agreements and licences US$'000	Service concession intangible assets US$'000	Total US$'000
Cost					
At 1 January 2022		779,939	1,484,810	173,679	2,438,428
Additions		–	1	–	1
Write-off project costs		–	(2,880)	–	(2,880)
Reclassification from property, plant and equipment	15	–	7,460	–	7,460
Effect of exchange rate changes		(62,254)	(165,371)	–	(227,625)
At 31 December 2022		717,685	1,324,020	173,679	2,215,384
Acquisition of subsidiaries	37	–	177,550	–	177,550
Effect of exchange rate changes		(15,768)	(62,498)	–	(78,266)
At 31 December 2023		701,917	1,439,072	173,679	2,314,668
Accumulated depreciation					
At 1 January 2022		–	(156,680)	(18,384)	(175,064)
Amortisation expense		–	(53,821)	(6,640)	(60,461)
Effect of exchange rate changes		–	16,273	–	16,273
At 31 December 2022		–	(194,228)	(25,024)	(219,252)
Amortisation expense		–	(64,183)	(6,640)	(70,823)
Effect of exchange rate changes		–	(2,113)	–	(2,113)
At 31 December 2023		–	(260,524)	(31,664)	(292,188)
Carrying amounts					
At 31 December 2022		717,685	1,129,792	148,655	1,996,132
At 31 December 2023		701,917	1,178,548	142,015	2,022,480

17. Intangible assets (cont'd)

Amortisation of project related agreements and licences and service concession intangible assets begins on the commercial operation date of the renewable asset as defined in the respective power purchase agreements.

As at the respective reporting dates, service concession intangible assets of the Combined Group with carrying amounts of US$142.0 million (2022: US$148.7 million) were pledged as collateral to secure project finance debts.

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Combined Group's group of CGUs (operating divisions) as follows:

	2023 US$'000	**2022** US$'000
Australia	111,424	109,255
India	24,094	24,244
Indonesia	36,741	36,721
Japan	204,149	219,004
Philippines	89,160	89,930
Taiwan	31,626	32,277
Thailand	6,298	6,277
Asset manager	198,425	199,977
	701,917	717,685

Operations in Australia, India, Indonesia, Japan, Philippines, Taiwan and Thailand

The recoverable amount of these groups of CGUs was based on fair value less costs of disposal, estimated using discounted cash flow method. The fair value measurement is categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The discounted cash flows valuation is based on management's cash flow projections assuming up to 40 years (2022: up to 30 years) of operating life, no terminal value is assumed. The post-tax discount rates of 4.5% - 16.6% (2022: 4.1% - 13.7%) are estimated based on the cost of equity for the Combined Group's operational assets and applying additional risk premium for under construction, contracted and development assets.

Asset Manager

The Asset Manager CGU represents the Engineering, Procurement and Construction Management ('EPCM') and Operations and Maintenance ('O&M') capabilities of the Combined Group. The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using the discounted cash flow method, similar to that applied by the respective countries that the Asset Manager serves. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

17. Intangible assets (cont'd)

As at 31 December 2023, for the discounted cash flows valuation, a rise in the post-tax discount rates by 0.3%, holding other inputs constant, would not result in impairment. As at 31 December 2022, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amount to be materially below the carrying amount of the group of CGUs.

18. Equity-accounted investees

	2023 US$'000	**2022** US$'000
Interests in joint ventures	71,161	71,860
Interests in associates	419,902	442,260
Total interests in equity-accounted investees	491,063	514,120

Investment in joint ventures

The following summarises the financial information of the Combined Group's joint ventures prepared in accordance with the Combined Group's accounting policy:

2023	**Nanao Mega Solar GK ("Nanao")** US$'000	**KK Kyudenko Fukuosan Solar ("KK Fukuosan")** US$'000	**Wind Power Energy Co., Ltd. ("WPE")** US$'000
<u>Statement of financial position</u>			
Non-current assets			
Property, plant and equipment	98,056	89,104	56,158
Right-of-use assets	10,499	35,728	7,114
Intangible assets	1,122	24,734	–
Prepayments and other assets	10,803	223	–
Derivative assets	3,668	3,127	–
	124,148	152,916	63,272

18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

2023	**Nanao**	**KK Fukuosan**	**WPE**
	US$'000	US$'000	US$'000
Statement of financial position (cont'd)			
Current assets			
Prepayment and other assets	–	30	1
Trade and other receivables	502	1,220	776
Cash and bank balances	13,995	14,209	1,551
	14,497	15,459	2,328
Total assets	138,645	168,375	65,600
Non-current liabilities			
Loans and borrowings	91,709	81,490	12,253
Lease liabilities	4,191	38,904	7,137
Asset retirement obligation	4,078	4,933	–
	99,978	125,327	19,390
Current liabilities			
Loans and borrowings	–	5,721	13
Lease liabilities	198	2,544	264
Trade and other payables	1,616	1,750	2,081
Current tax liabilities	185	–	10
	1,999	10,015	2,368
Total liabilities	101,977	135,342	21,758
Net assets	36,668	33,033	43,842

18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

2023	**Nanao** US$'000	**KK Fukuosan** US$'000	**WPE** US$'000
Statement of comprehensive income			
Revenue	14,730	15,697	–
Other income	2	12	1
Total revenue	14,732	15,709	1
Operating costs	(1,002)	(2,048)	–
Development costs	(983)	(1,215)	(112)
Depreciation expense	(2,628)	(7,463)	–
Amortisation expense	(652)	(1,481)	–
Results from operating activities	9,467	3,502	(111)
Finance costs	(1,978)	(1,845)	–
Change in fair value of financial instruments at FVTPL	(606)	(1,394)	–
Profit/(loss) before tax	6,883	263	(111)
Tax expense	(16)	–	(4)
Profit/(loss) for the year, representing total comprehensive income for the year	6,867	263	(115)

2022	**Nanao** US$'000	**KK Fukuosan** US$'000	**WPE** US$'000
Statement of financial position			
Non-current assets			
Property, plant and equipment	72,469	101,394	52,489
Right-of-use assets	11,949	40,640	7,964
Intangible assets	1,205	28,146	–
Prepayments and other assets	1,517	240	–
Derivative assets	–	4,674	–
	87,140	175,094	60,453

18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

2022	Nanao US$'000	KK Fukuosan US$'000	WPE US$'000
Statement of financial position (cont'd)			
Current assets			
Prepayment and other assets	–	32	1
Trade and other receivables	444	12,068	757
Derivative assets	4,419	–	–
Cash and bank balances	5,636	12,053	5,825
	10,499	24,153	6,583
Total assets	97,639	199,247	67,036
Non-current liabilities			
Loans and borrowings	60,560	100,458	13,158
Lease liabilities	4,713	44,168	7,948
Derivative liabilities	–	5,265	–
	65,273	149,891	21,106
Current liabilities			
Loans and borrowings	–	8,438	14
Lease liabilities	279	2,726	280
Trade and other payables	224	212	2,241
	503	11,376	2,535
Total liabilities	65,776	161,267	23,641
Net assets	31,863	37,980	43,395

18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

2022	**Nanao** US$'000	**KK Fukuosan** US$'000	**WPE** US$'000
Statement of comprehensive income			
Revenue	1,304	14,536	–
Other income	–	–	2
Total revenue	1,304	14,536	2
Operating costs	(140)	(4,094)	–
Development costs	–	–	(95)
Depreciation expense	–	(7,346)	–
Amortisation expense	(116)	(1,441)	–
Results from operating activities	1,048	1,655	(93)
Finance costs	(140)	(1,583)	–
Change in fair value of financial instruments at FVTPL	5,704	6,384	–
Profit/(loss) before tax	6,612	6,456	(93)
Tax expense	(16)	(4)	(47)
Profit/(loss) for the year, representing total comprehensive income for the year	6,596	6,452	(140)

2023	**Nanao** US$'000	**KK Fukuosan** US$'000	**WPE** US$'000	**Total** US$'000
Carrying amount of interests in joint ventures at 1 January 2023	22,590	26,914	22,356	71,860
Combined Group's contribution during the year	–	233	1,764	1,997
Redemption during the year	–	(2,999)	–	(2,999)
Share of results of joint ventures	4,806	185	(57)	4,934
Foreign currency translation differences	(1,443)	(1,710)	(1,478)	(4,631)
Carrying amount of interests in joint ventures at 31 December 2023	25,953	22,623	22,585	71,161

18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

	Nanao	**KK Fukuosan**	**WPE**	**Total**
	US$'000	US$'000	US$'000	US$'000
2022				
Carrying amount of interests in joint ventures at 1 January 2022	16,170	25,994	18,521	60,685
Combined Group's contribution during the year	4,363	–	6,379	10,742
Share of results of joint ventures	4,618	4,515	(70)	9,063
Foreign currency translation differences	(2,561)	(3,595)	(2,474)	(8,630)
Carrying amount of interests in joint ventures at 31 December 2022	22,590	26,914	22,356	71,860

18. Equity-accounted investees (cont'd)

Interests in associates

The Combined Group has 7 (2022: 6) material associates and 11 (2022: 12) immaterial associates which are equity accounted for. The following are the material associates:

Associate entity name	**Hangin ng Amihan Holdings, Inc. and its subsidiaries ("HANGIN")**	**Vena Energy Wind (Phil) Holdings Inc ("VEWPHI")**	**Helios Solar Energy Holdings Inc. and its subsidiaries ("HSEHI")**	**First Soleq Holdings Philippines Inc. ("FSHPI")**	**One Bukidnon Project Holdings Inc. ("OBPHI")**	**RA Solar Energy Holdings Inc. and its subsidiaries ("RSEHI")**	**Nuevo Solar Energy Corp. ("NSEC")**
Nature of Associate	Investment holding entity for Alternergy Wind One Corporation ("Project Pililia")	Investment holding entity for Alternergy Wind One Corporation ("Project Pililia")	Investment holding entity for Helios Solar Energy Corp. ("Project Pollo")	Investment holding entity for First Soleq Energy Corp. ("Project Ironman")	Investment holding entity for Asian Greenenergy Corp. ("Project Zorro")	Investment holding entity for Mirae Asia Energy Corp. ("Project Garcia")	Operating entity for solar power plant ("Project Garcia 2")
Sector	54.0 MW wind	54.0 MW wind	132.5 MW solar	30.4 MW solar	10.5 MW solar	20.1 MW solar	83.3 MW solar
Principal place of business/ country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Direct economic interest held in the associate by the Combined Group	99.69%	100%	99.56%	99.31%	99.75%	99.91%	–
Effective economic interest held on the underlying project	54.86%	39.97%	99.65%	99.45%	99.80%	99.97%	49.94%*
Direct voting rights held in the associate by the Combined Group	36.21%	23.05%	37.73%	31.43%	35.40%	40.00%	19.89%

HANGIN held 55.2% (2022: 55.2%) and VEWPHI held 39.8% (2022: 39.8%) direct voting rights in Project Pililia. Through investment in HANGIN and VEWPHI, the Combined Group's aggregate economic interest in Project Pililia (54.0 MW Wind) is 94.8% (2022: 94.9%).

* The Combined Group held 99.9% (2022: 99.9%) of effective economic interest in Pasuquin Energy Holdings Inc. ("PEHI") and PEHI held 50.0% (2022: 50.0%) of direct economic interest in NSEC. The Combined Group's aggregate economic interest in NSEC is 49.9% (2022: 49.9%).

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The following summarises the financial information of the Combined Group's material associates prepared in accordance with the Combined Group's accounting policy:

2023	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000	**Garcia RSEHI** US$'000	**Garcia 2 NSEC** US$'000
Statement of financial position							
Non-current assets							
Property, plant and equipment	67,267	–	105,825	23,805	9,191	20,189	59,845
Intangible assets	640	–	–	–	–	–	–
Equity-accounted investees	–	12,646	–	–	–	–	–
Other non-current receivables	2,537	56	571	3,479	177	388	205
Right-of-use assets	540	–	5,563	570	105	958	97
Prepayment and other assets	32	–	78	–	–	31	–
	71,016	12,702	112,037	27,854	9,473	21,566	60,147
Current assets							
Trade and other receivables	18,132	–	20,149	5,576	3,148	4,346	4,066
Prepayment and other assets	551	–	674	181	52	211	335
Cash and bank balances	8,658	881	11,203	897	750	1,347	4,399
	27,341	881	32,026	6,654	3,950	5,904	8,800
Total assets	98,357	13,583	144,063	34,508	13,423	27,470	68,947

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2023	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000	Garcia 2 NSEC US$'000
Statement of financial position (cont'd)							
Non-current liabilities							
Loans and borrowings	56,699	–	88,459	15,769	6,231	8,316	39,337
Employee benefits	34	–	55	9	–	18	–
Asset retirement obligation	2,659	–	936	263	63	165	106
Deferred tax liabilities	42	–	36	26	13	9	216
	59,434	–	89,486	16,067	6,307	8,508	39,659
Current liabilities							
Loans and borrowings	2,868	–	5,607	1,928	452	898	2,050
Trade and other payables	5,084	46	2,187	1,611	1,885	863	4,992
Current tax liabilities	183	–	785	–	33	39	356
	8,135	46	8,579	3,539	2,370	1,800	7,398
Total liabilities	67,569	46	98,065	19,606	8,677	10,308	47,057
Net assets	30,788	13,537	45,998	14,902	4,746	17,162	21,890

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2023	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000	**Garcia RSEHI** US$'000	**Garcia 2 NSEC** US$'000
Statement of comprehensive income							
Sale of energy	20,760	–	31,314	6,867	2,642	5,820	9,854
Other income	–	–	–	–	–	64	–
Revenue	20,760	–	31,314	6,867	2,642	5,884	9,854
Operating costs	(5,179)	(18)	(4,531)	(1,226)	(719)	(1,238)	(2,146)
Shared services costs charged by a subsidiary	(1,092)	–	(1,165)	(250)	(100)	(217)	(339)
Depreciation expenses	(4,091)	–	(6,624)	(1,663)	(614)	(1,416)	(2,402)
Results from operating activities	10,398	(18)	18,994	3,728	1,209	3,013	4,967
Finance income	762	3	929	190	82	129	172
Finance costs	(6,682)	–	(7,263)	(1,095)	(412)	(599)	(3,021)
Net foreign exchange (loss)/gain	(2)	–	(3)	7	(2)	3	22
Net finance (costs)/income	(5,922)	3	(6,337)	(898)	(332)	(467)	(2,827)
Share of results of associate	–	1,572	–	–	–	–	–
Profit before tax	4,476	1,557	12,657	2,830	877	2,546	2,140
Income tax expense	(552)	–	(1,299)	(311)	(70)	(235)	(833)
Profit for the year, representing total comprehensive income for the year	3,924	1,557	11,358	2,519	807	2,311	1,307

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2022	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000	**Garcia RSEHI** US$'000
Statement of financial position						
Non-current assets						
Property, plant and equipment	71,748	–	113,299	25,441	9,863	21,629
Intangible assets	646	–	–	–	–	–
Equity-accounted investees	–	17,600	–	–	–	329
Other non-current receivables	2,313	56	264	3,432	149	31
Right-of-use assets	558	–	5,652	596	122	988
Prepayment and other assets	32	–	79	–	–	–
	75,297	17,656	119,294	29,469	10,134	22,977
Current assets						
Trade and other receivables	15,988	–	17,291	4,950	2,853	3,800
Prepayment and other assets	120	–	530	12	36	152
Cash and bank balances	17,984	36	13,562	910	787	1,146
	34,092	36	31,383	5,872	3,676	5,098
Total assets	109,389	17,692	150,677	35,341	13,810	28,075

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2022	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000
<u>Statement of financial position (cont'd)</u>						
Non-current liabilities						
Loans and borrowings	57,212	–	94,130	17,670	6,741	9,225
Employee benefits	35	–	58	–	–	22
Asset retirement obligation	2,414	–	822	216	66	150
Deferred tax liabilities	96	–	231	26	15	20
	59,757	–	95,241	17,912	6,822	9,417
Current liabilities						
Loans and borrowings	3,701	–	3,419	753	469	594
Trade and other payables	3,357	2	1,701	1,195	1,756	879
Current tax liabilities	8	–	–	26	–	431
	7,066	2	5,120	1,974	2,225	1,904
Total liabilities	66,823	2	100,361	19,886	9,047	11,321
Net assets	42,566	17,690	50,316	15,455	4,763	16,754

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2022	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000	**Garcia RSEHI** US$'000
Statement of comprehensive income						
Sale of energy	16,846	–	23,652	6,668	2,555	5,861
Other income	–	–	–	–	–	11
Revenue	16,846	–	23,652	6,668	2,555	5,872
Operating costs	(4,274)	(3)	(4,522)	(1,189)	(657)	(1,204)
Shared services costs charged by a subsidiary	(1,090)	–	(817)	(208)	(91)	(200)
Depreciation expenses	(4,164)	–	(6,719)	(1,718)	(630)	(1,442)
Results from operating activities	7,318	(3)	11,594	3,553	1,177	3,026
Finance income	467	–	499	142	46	100
Finance costs	(3,727)	–	(7,548)	(1,122)	(484)	(728)
Net foreign exchange (loss)/gain	(6)	1	56	128	2	(262)
Net finance (costs)/income	(3,266)	1	(6,993)	(852)	(436)	(890)
Gain on disposal of equity-accounted investee	–	–	–	–	–	6,212
Share of results of associate	–	1,599	–	–	–	293
Profit before tax	4,052	1,597	4,601	2,701	741	8,641
Income tax (expense)/credit	(57)	–	191	(224)	2	(1,736)
Profit for the year, representing total comprehensive income for the year	3,995	1,597	4,792	2,477	743	6,905

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2023	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000	Garcia 2 NSEC US$'000	Immaterial associates US$'000	Total associates US$'000
Carrying amount of interests in associates at beginning of the year	53,532	39,021	189,128	33,121	10,118	53,806	10,851	52,683	442,260
Combined Group's share of amortisation and impairment of intangible asset acquired through business combinations	(2,461)	(1,793)	(7,683)	(1,369)	(289)	(15,909)	–	–	(29,504)
Combined Group's share of results from continuing operations, net of tax	2,203	1,557	11,289	2,393	797	2,316	655	(3,801)	17,409
Effect of exchange rate changes from project-related agreements and licences	(327)	(238)	(1,107)	(147)	(33)	(311)	(96)	409	(1,850)
Foreign currency translation differences	(3,478)	(2,534)	(417)	(156)	(42)	(144)	(23)	(245)	(7,039)
Defined benefit plan remeasurements	–	–	–	–	–	(5)	–	–	(5)
Combined Group's share of total comprehensive income	(4,063)	(3,008)	2,082	721	433	(14,053)	536	(3,637)	(20,989)
Combined Group's contribution during the year	–	–	–	–	–	–	–	32,559	32,559
Distribution during the year	(7,752)	(5,574)	(15,133)	(3,130)	(608)	(1,731)	–	–	(33,928)
Carrying amount of interests in associates at end of the year[1]	41,717	30,439	176,077	30,712	9,943	38,022	11,387	81,605	419,902

[1] Included in the carrying amount of interests in associates at end of the year is project related agreements and licences amounting to US$183.7 million.

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2022	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000	Immaterial associates US$'000	Total associates US$'000
Carrying amount of interests in associates at beginning of the year	58,452	42,604	202,178	38,354	11,206	62,663	14,695	430,152
Combined Group's share of amortisation and impairment of intangible asset acquired through business combinations	(2,576)	(1,874)	(8,036)	(1,395)	(294)	(2,782)	–	(16,957)
Combined Group's share of results from continuing operations, net of tax	2,198	1,596	4,786	2,474	744	6,894	(1,752)	16,940
Effect of exchange rate changes from project-related agreements and licences	(3,230)	(2,350)	(11,053)	(1,795)	(405)	(3,804)	–	(22,637)
Foreign currency translation differences	(1,312)	(955)	2,687	(1,621)	(458)	(1,364)	251	(2,772)
Combined Group's share of total comprehensive income	(4,920)	(3,583)	(11,616)	(2,337)	(413)	(1,056)	(1,501)	(25,426)
Combined Group's contribution during the year	–	–	–	–	–	–	45,656	45,656
Combined Group's acquisition during the year[1]	–	–	–	–	–	–	4,916	4,916
Distribution during the year	–	–	(1,434)	(2,896)	(675)	(7,801)	(232)	(13,038)
Carrying amount of interests in associates at end of the year[2]	53,532	39,021	189,128	33,121	10,118	53,806	63,534	442,260

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

1 In January 2022, the Combined Group entered into a sale and purchase agreement to acquire 100% of Taean Wind Power Co., Ltd. ("Taean") in stages. The total purchase consideration ranges from KRW50 billion to KRW140 billion and is contingent on the final tariff rate granted in the power purchase agreement and construction cost stated in the EPC contract that have yet to be finalised. As at 31 December 2022, the Combined Group had acquired 45% of Taean for KRW4.3 billion (US$3.5 million) and paid an advance partial consideration of KRW1.8 billion (US$1.4 million) in respect of the acquisition of second tranche of 45% share in Taean in accordance with the terms of the sale and purchase agreement.

The Transaction has yet to be completed as at year end and based on the Group's provisional assessment, the consideration paid was classified as an investment in associate.

2 Included in carrying amount of interests in associates at end of the year is project related agreements and licences amounting to US$215.5 million.

19. Other investments

	2023 US$'000	**2022** US$'000
Equity investments – mandatorily at FVTPL	–	2,559
Equity investments – designated at FVOCI	7,549	–
	7,549	2,559

Equity investments comprise the Combined Group's interests in Tokumei Kumiai investments in renewable energy assets in Japan.

The Combined Group reviewed its business strategy of the equity investments and deemed that these investments are not held-for-trading but for long-term investment. Accordingly, the equity investments previously measured at FVTPL had been reclassified to equity investments at FVOCI at the beginning of the reporting period.

20. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Property, plant and equipment	–	–	(51,626)	(48,244)
Intangible assets	–	–	(4,801)	(3,275)
Derivative instruments	–	–	(3,074)	(2,601)
Loans and borrowings	–	105	–	–
Lease liabilities	92	–	–	–
Employee benefits	3,388	1,986	–	–
Provisions	379	90	–	–
Other items	1,917	2,533	(10)	(1,085)
Tax loss carry-forwards	60,163	53,549	–	–
Deferred tax assets/(liabilities)	65,939	58,263	(59,511)	(55,205)
Set off of deferred tax	(46,388)	(43,427)	46,388	43,427
Net deferred tax assets/ (liabilities)	19,551	14,836	(13,123)	(11,778)

Unrecognised deferred tax liabilities

The subsidiaries of the Combined Group were subject to a tax holiday period in certain jurisdictions for a period of 8 - 10 years. Deferred tax liabilities in respect of timing differences that originate before or during the tax holiday period and are expected to reverse during such tax holiday period have not been utilised.

Unrecognised deferred tax assets

Deferred tax assets on tax losses of US$216.7 million (2022: US$166.5 million) have not been recognised in respect of tax losses which are expected to expire or be utilised during such tax holiday period because it is not probable that future taxable profits will be available against which the Combined Group can utilise the benefits therefrom during such period.

20. Deferred tax (cont'd)

Movement in deferred tax balances

	Balance as at 1 January 2023 US$'000	Recognised in profit or loss (Note 14) US$'000	Recognised in OCI (Note 14) US$'000	Effect of exchange rate changes US$'000	Balance as at 31 December 2023 US$'000
Deferred tax assets/(liabilities)					
Property, plant and equipment	(48,244)	(3,919)	–	537	(51,626)
Intangible assets	(3,275)	(997)	–	(529)	(4,801)
Derivative instruments	(2,601)	(491)	–	18	(3,074)
Loans and borrowings	105	(98)	–	(7)	–
Lease liabilities	–	92	–	–	92
Employee benefits	1,986	1,045	(70)	427	3,388
Provisions	90	253	–	36	379
Other items	1,448	861	–	(402)	1,907
Tax loss carry-forwards	53,549	6,549	–	65	60,163
	3,058	3,295	(70)	145	6,428

20. Deferred tax (cont'd)

Movement in deferred tax balances (cont'd)

	Balance as at 1 January 2022 US$'000	**Recognised in profit or loss (Note 14)** US$'000	**Recognised in OCI (Note 14)** US$'000	**Effect of exchange rate changes** US$'000	**Balance as at 31 December 2022** US$'000
Deferred tax assets/(liabilities)					
Property, plant and equipment	(36,759)	(15,090)	–	3,605	(48,244)
Intangible assets	(2,484)	(791)	–	–	(3,275)
Derivative instruments	–	(2,697)	–	96	(2,601)
Loans and borrowings	(72)	169	–	8	105
Employee benefits	1,847	377	(18)	(220)	1,986
Provisions	102	43	–	(55)	90
Other items	789	486	–	173	1,448
Tax loss carry-forwards	29,201	28,144	–	(3,796)	53,549
	(7,376)	10,641	(18)	(189)	3,058

21. Loans receivables

	2023 US$'000	**2022** US$'000
Non-current		
Loans receivables from:		
- Equity-accounted investees	12,701	10,639
- Other third parties	3,008	3,057
Promissory note receivables	7,843	7,571
	23,552	21,267
Less: Impairment loss on loans receivables	(1)	(343)
Total non-current loans receivables	23,551	20,924
Current		
Interest receivables from:		
- Equity-accounted investees	690	255
- Promissory note	662	564
- Cross-currency swaps	5,097	5,060
- Other third parties	2,281	1,252
	8,730	7,131
Less: Impairment loss on loans receivables	–	(75)
Total current loans receivables	8,730	7,056
Total loans receivables	32,281	27,980

21. Loans receivables (cont'd)

Terms and conditions of loans receivables are as follows:

	Currency	Maturity date	Principal amount 2023	Principal amount 2022	Interest rate 2023	Interest rate 2022
			US$'000	US$'000	%	%
Equity-accounted investees [a]	KRW	2027-2028	12,701	10,390	3.5-5.0	3.5-3.7
Equity-accounted investees of related parties [b]	JPY	2035	–	249	–	1.0
Other third parties [b]	JPY	On demand	645	693	0.8	0.8
Other third parties [b]	USD	On demand	1,880	1,880	4.6	4.6
Other third parties [b]	USD	On demand	450	450	5.5	5.5
Other third parties [b]	KRW	On demand	33	34	4.6	4.6
Promissory notes receivable [c]	THB	2027	7,843	7,571	–	–
			23,552	21,267		

(a) Loans receivable from equity-accounted investees are unsecured and repayable from 2027 to 2028.

(b) The Combined Group does not intend to demand repayment of these unsecured loans in the next 12 months.

(c) Promissory notes receivable are zero coupon, non-transferable and redeemable, with maturity date on 3 August 2027. At redemption date, the Combined Group is entitled to receive a redemption amount equal to the principal amount plus accrued redemption fee of 1.0% per annum.

22. Derivative assets and liabilities

	2023 US$'000	2022 US$'000
Derivative assets		
Non-current		
Electricity derivatives	34,420	47,558
Cross currency swaps	100,053	61,194
Interest rate swaps	22,109	32,639
	156,582	141,391
Current		
Electricity derivatives	–	2,584
Cross currency swaps	324	344
Interest rate swaps	2,132	2,115
Forward exchange contracts	–	1,579
	2,456	6,622
Total derivative assets	159,038	148,013
Derivative liabilities		
Non-current		
Electricity derivatives	(83,227)	(39,262)
Interest rate swaps	(4,168)	(183)
	(87,395)	(39,445)
Current		
Electricity derivatives	(10,690)	(1,843)
Forward exchange contracts	(109)	(4,951)
Interest rate swaps	–	(74)
	(10,799)	(6,868)
Total derivative liabilities	(98,194)	(46,313)

22. Derivative assets and liabilities (cont'd)

Cross currency swaps

On 26 February 2022, the Combined Group entered into cross currency swaps which matures in 2025 and with an aggregate notional amount of JPY20.2 billion, whereby the Combined Group is required to make semi-annual interest payments calculated at fixed interest rate of 0.5% per annum.

In 2020, the Combined Group entered into cross currency swaps which matures in 2025 and with an aggregate notional amount of JPY36.0 billion, whereby the Combined Group is required to make semi-annual interest payments calculated at fixed interest rates between 1.2% and 1.3% per annum.

These cross currency swaps are designated as hedging instruments for giving effect to hedge accounting applied at the Combined Group level.

Electricity derivatives

Effective 1 January 2022, the Combined Group has designated the electricity derivatives in their entirety as cash flow hedges to manage the Combined Group's exposure to fluctuations in electricity prices.

Hedge accounting

Net investment hedge

A foreign currency exposure arises from the Combined Group's net investment in its Japan subsidiaries that has a JPY functional currency. The risk arises from the fluctuation in spot exchange rates between the JPY and the USD, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening JPY against the USD that will result in a reduction in the carrying amount of the Combined Group's net investment in the Japan subsidiaries.

Part of the Combined Group's net investment in its Japan subsidiaries is hedged by a derivative instrument which is the JPY/USD cross currency interest rate swaps, which mitigates the foreign currency risk arising from the subsidiaries' net assets. The derivative instrument is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the USD/JPY spot rate.

To assess hedge effectiveness, the Combined Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the notional amount of the cross currency interest rate swap that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

22. Derivative assets and liabilities (cont'd)

Hedge accounting (cont'd)

Net investment hedge (cont'd)

The amounts related to items designated as hedging instruments are as follows:

	2023				During the year ended 31 December 2023					
	Notional amount US$'000	**Carrying amount – assets** US$'000	**Carrying amount – liabilities** US$'000	**Line item in the statement of financial position where the hedging instrument is included**	**Change in value used for calculating hedge in-effectiveness** US$'000	**Change in value of hedging instrument recognised in OCI** US$'000	**Hedge in-effectiveness recognised in profit or loss** US$'000	**Line item in profit or loss that includes hedge in-effectiveness**	**Amount reclassified from hedging reserve to profit or loss** US$'000	**Line item affected in profit or loss because of the re-classification**
Cross currency interest rate swaps	500,000	91,085	–	Derivative assets	39,425	29,155	10,270	Change in fair value of financial instruments at FVTPL	–	Not applicable

The amounts relating to items designated as hedged items are as follows:

	2023	
	Change in value used for calculating hedge effectiveness US$'000	**Foreign currency translation reserve** US$'000
JPY net investment	(29,155)	105,165

22. Derivative assets and liabilities (cont'd)

Hedge accounting (cont'd)

Net investment hedge (cont'd)

The amounts related to items designated as hedging instruments were as follows:

	2022				During the year ended 31 December 2022					
	Notional amount US$'000	**Carrying amount – assets** US$'000	**Carrying amount – liabilities** US$'000	**Line item in the statement of financial position where the hedging instrument is included**	**Change in value used for calculating hedge in-effectiveness** US$'000	**Change in value of hedging instrument recognised in OCI** US$'000	**Hedge in-effectiveness recognised in profit or loss** US$'000	**Line item in profit or loss that includes hedge in-effectiveness**	**Amount reclassified from hedging reserve to profit or loss** US$'000	**Line item affected in profit or loss because of the re-classification**
Cross currency interest rate swaps	500,000	51,660	–	Derivative assets	32,361	66,331	(33,970)	Change in fair value of financial instruments at FVTPL	–	Not applicable

The amounts relating to items designated as hedged items are as follows:

	2022	
	Change in value used for calculating hedge effectiveness US$'000	**Foreign currency translation reserve** US$'000
JPY net investment	(66,331)	76,010

22. Derivative assets and liabilities (cont'd)

Hedge accounting (cont'd)

Cash flow hedges

The Combined Group's sale of energy in South Australia has a fixed tariff applied based on the terms of the offtake agreements. The Combined Group is exposed to cash flow variability on electricity sales due to fluctuations in the wholesale price of electricity in South Australia.

On 1 January 2022 and/or at date of inception, the Combined Group designated the electricity derivative component of the offtake agreements as hedging instruments. The Combined Group hedges the cash flow variability on highly probable forecast electricity sales arising from the variability in the wholesale spot price by entering into an agreement with the offtaker that fixes the electricity spot price at a contractual specified price per megawatt hour.

The Combined Group documents at the inception of the hedge accounting relationship, the economic relationship between hedging instruments and hedged items, its risk management objective and strategy for undertaking hedging transactions. The Combined Group also documents its assessment, both at hedge inception and prospectively on an ongoing basis, as to whether the derivatives designated in the hedge relationships have been, and will continue to be effective, in offsetting fair value changes arising from highly probable forecast electricity purchases. The Combined Group established the hedge ratio of 1:1 by matching the electricity sales to the offtake agreements designated as hedging instruments.

The Combined Group documents sources of hedge ineffectiveness and quantifies the impact of hedge ineffectiveness stemming from the hedge relationship.

Hedge ineffectiveness may occur due to:

- changes in the credit risk on the hedging instrument not matched by a similar adjustment on the hedged item;
- differences in critical terms between the hedging instrument and hedged item; and
- non-zero inception fair values of the hedging instrument as a result of a late designation.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and presented in the cash flow hedge reserve. The gain or loss relating to the ineffective portion of hedges is recognised immediately in profit or loss within the fair value through profit or loss line on the statement of profit and loss. The realised gain or loss relating to the effective portion of electricity derivatives is recognised in profit or loss within revenue from the sales of energy.

22. Derivative assets and liabilities (cont'd)

Hedge accounting (cont'd)

Cash flow hedges (cont'd)

The amounts related to items designated as hedging instruments are as follows:

	2023				During the year ended 31 December 2023					
	Notional amount US$'000	**Carrying amount – assets** US$'000	**Carrying amount – liabilities** US$'000	**Line item in the statement of financial position where the hedging instrument is included**	**Change in value used for calculating hedge in-effectiveness** US$'000	**Change in value of hedging instrument recognised in OCI** US$'000	**Hedge in-effectiveness recognised in profit or loss** US$'000	**Line item in profit or loss that includes hedge in-effectiveness**	**Amount reclassified from hedging reserve to profit or loss** US$'000	**Line item affected in profit or loss because of the re-classification**
Commodity price risk										
Electricity derivatives	250,194	34,420	–	Derivative assets	(16,731)	(21,474)	4,743	Change in fair value of financial instruments at FVTPL	11,436	Sale of energy
Electricity derivatives	263,711	–	(93,917)	Derivative liabilities	(52,137)	(53,213)	1,076		–	Not applicable

As at 31 December 2023, the hedge rates range from AUD40/MWh to AUD133/MWh with maturity dates ranging from 2038 to 2041.

22. Derivative assets and liabilities (cont'd)

Hedge accounting (cont'd)

Cash flow hedges (cont'd)

The amounts related to items designated as hedging instruments are as follows:

	2022				During the year ended 31 December 2022					
	Notional amount US$'000	**Carrying amount – assets** US$'000	**Carrying amount – liabilities** US$'000	**Line item in the statement of financial position where the hedging instrument is included**	**Change in value used for calculating hedge in-effectiveness** US$'000	**Change in value of hedging instrument recognised in OCI** US$'000	**Hedge in-effectiveness recognised in profit or loss** US$'000	**Line item in profit or loss that includes hedge in-effectiveness**	**Amount reclassified from hedging reserve to profit or loss** US$'000	**Line item affected in profit or loss because of the re-classification**
Commodity price risk										
Electricity derivatives	245,339	50,142	–	Derivative assets	(87,756)	(53,116)	(34,640)	Change in fair value of financial instruments at FVTPL	3,341	Sale of energy
Electricity derivatives	270,079	–	(41,105)	Derivative liabilities	(41,105)	(38,362)	(2,743)		–	Not applicable

As at 31 December 2022, the hedge rates range from AUD40/MWh to AUD136/MWh with maturity dates ranging from 2038 to 2041.

22. Derivative assets and liabilities (cont'd)

Hedge accounting (cont'd)

Cash flow hedges (cont'd)

The amounts relating to items designated as hedged items are as follows:

	2023	
	Change in value used for calculating hedge ineffectiveness US$'000	**Cash flow hedge reserve** US$'000
Sale of energy	74,687	(166,165)

	2022	
	Change in value used for calculating hedge ineffectiveness US$'000	**Cash flow hedge reserve** US$'000
Sale of energy	91,478	(91,478)

The cash flow hedge reserve represents the effective portion of gains or losses on remeasuring the fair value of hedging instruments that qualify for cash flow hedge accounting.

23. Prepayments and other assets

	2023 US$'000	**2022** US$'000
Non-current		
Other prepayments	3,679	4,727
Other assets	26,026	15,804
	29,705	20,531
Current		
Other prepayments	20,079	17,155
Other assets	9,370	4,730
	29,449	21,885
Total prepayments and other assets	59,154	42,416

24. Trade and other receivables

	Note	2023 US$'000	2022 US$'000
Non-current			
Other receivables	(a)	–	1,521
Deposits		–	3,098
Tax receivables	(b)	36,802	39,416
Total non-current other receivables		36,802	44,035
Current			
Trade receivables		35,024	63,380
Contract assets		41,054	88,693
Total current trade receivables and contract assets		76,078	152,073
Non-trade amount due from:			
- Equity-accounted investees		2,292	17
- Other third parties		11,045	11,716
Deposits		16,165	35,685
Tax receivables	(b)	30,269	42,238
Other receivables	(a)	–	12
Total current other receivables		59,771	89,668
Less: Impairment loss			
- Trade receivables and contract assets		(9,217)	(4,921)
- Other receivables		(118)	(825)
Total current trade and other receivables		126,514	235,995
Total trade and other receivables		163,316	280,030

Trade receivables are non-interest bearing and are generally on standard credit terms ranging from 15 to 90 days (2022: 15 to 90 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

(a) Other receivables were related to liquidated damages receivable from EPC contractors in Indonesia.

(b) Non-current other tax receivables of US$36.8 million (2022: US$39.4 million) relate to value-added tax receivables which will be refunded upon completion of construction of the projects while current other tax receivables relate to value-added tax receivables that are expected to be refunded within the next one year.

25. Restricted cash
Cash and bank balances

	Note	2023 US$'000	2022 US$'000
Non-current			
Restricted bank balances		51,275	31,360
Current			
Bank balances		543,651	407,148
Short term deposits		52,556	27,918
Fixed deposits	(a)	827	4,471
Less: Impairment loss		(106)	(53)
		596,928	439,484
Total cash and bank balances in the Statement of Financial Position		648,203	470,844
Restricted bank balances and deposits	(b)	(146,697)	(173,279)
Add: Impairment loss		106	53
Cash and cash equivalents in the Combined Statement of Cash Flows		501,612	297,618

(a) Fixed deposits are made for varying periods of between three to twelve months, depending on the immediate cash requirements of the Combined Group, and earn interest at the respective fixed deposit rates.

(b) As at 31 December 2023, US$146.7 million (2022: US$173.3 million) of the Combined Group's cash and bank balances were restricted. Out of this, US$94.4 million (2022: US$86.7 million) of the Combined Group's cash and bank balances were held under Debt Service Reserve Accounts ("DSRA") which represents a reserve account used for debt service of project finance debts.

As at the reporting date, cash and bank balances of US$289.0 million (2022: US$184.0 million) were pledged as collateral to secure project finance debts.

26. Share capital and units in issue

	2023 US$'000	**2022** US$'000
Share capital at US$1.00 per share (2022: US$0.01 per share)	3,628,159	16,921
Share premium (US$)	–	1,825,295
Units in issue (US$)	1,240	1,712,183
	3,629,399	3,554,399

27. Transactions with equity holders

During the year ended 31 December 2023, the following transactions took place:

(a) Vena Energy Taiwan Holdings Pte. Ltd. consolidated its 125,497,349 issued ordinary shares each with a par value of US$0.01 at a ratio of 100:1, effectively reducing the number of issued ordinary shares to 1,254,973 each with a par value of US$1.00.

(b) Vena Energy Taiwan Holdings Pte. Ltd. utilised US$124.2 million from its share premium to issue new fully paid ordinary shares each with a par value of US$1.00 to its shareholder.

(c) The shareholder of Vena Energy Holdings Pte. Ltd. subscribed to 125,884 ordinary shares each at a par value of US$0.01 and share premium of US$1,258.8 million were issued.

(d) Vena Energy Holdings Pte. Ltd. consolidated its 1,566,734,435 issued ordinary shares each with a par value of US$0.01 at a ratio of 100:1, effectively reducing the number of issued ordinary shares to 15,668,603 each with a par value of US$1.00.

(e) Vena Energy Holdings Pte. Ltd. utilised US$2,959.9 million from its share premium and US$50.0 million from its capital reserve to issue new fully paid ordinary shares each with a par value of US$1.00 to its shareholder.

(f) The shareholder of Vena Energy Holdings Pte. Ltd. subscribed to 477,094,565 number of ordinary shares at a value of US$1.00 each, totaling US$477.1 million.

(g) The unitholder of Zenith Japan Holdings Trust redeemed 1,616,995,286 units at an average price of US$1.07 per unit, totaling US$1,735.9 million. Out of which, US$25.0 million was paid out of retained earnings to the unitholder.

28. Reserves

The reserves of the Combined Group comprise the following balances:

	2023 US$'000	**2022** US$'000
Capital reserve	–	50,000
Translation reserve	(460,140)	(390,702)
Cash flow hedge reserve	(166,165)	(91,478)
Fair value reserve	7,105	–
Legal reserve	2,869	691
Defined benefit reserve	344	142
	(615,987)	(431,347)

Capital reserve

Capital reserve comprises equity injections by shareholders for which ordinary shares have yet to be issued.

During the year, Vena Energy Holdings Pte. Ltd. issued 50,000,000 ordinary shares each with a par value of US$1.00 by utilising its capital reserve of US$50.0 million.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

	Commodity price risk	
	2023 US$'000	**2022** US$'000
Beginning balance	(91,478)	–
Effective portion of changes in fair value of hedging instrument	(86,123)	(94,819)
Amount reclassified from hedging reserve to profit or loss	11,436	3,341
Ending balance	(166,165)	(91,478)

28. Reserves (cont'd)

Fair value reserve

The fair value reserve records the cumulative fair value changes of equity instruments measured at FVOCI.

Legal reserve

The Taiwan Companies Act requires that for profit-making Taiwan registered companies, 10% of the profits shall be kept as a reserve which is non distributable. The legal reserve will be capped at amount equivalent to authorised share capital.

Defined benefit reserve

The defined benefit reserve comprises actuarial gains and losses and the return on plan assets (excluding interest).

29. Non-controlling interests

As at 31 December 2022, the Combined Group's non-controlling interests were primarily attributable to Prime Energy Capital Co., Ltd. ("PEC") holding fully paid up equity shares in all Thailand-domiciled subsidiaries.

In April 2023, the Combined Group acquired approximately 38% interest in NRE Hikari Investment Limited Partnership, GK NRE-04 Investment, GK NRE-06 Investment and GK NRE-18 Investment (collectively known as "Project Hikari") (Note 37) and the acquired entities were accounted for as subsidiaries of the Combined Group with non-controlling interests representing 62%.

In May 2023, the Combined Group transferred approximately 48% of TK interests in GK Hayabusa to NRE Hayabusa Investment Limited Partnership. Following the transfer of TK interests without a loss in control, GK Hayabusa, GK NRE-05 Investment and GK NRE-19 Investment (collectively known as "Project Hayabusa") continued to be accounted for as subsidiaries of the Combined Group with non-controlling interests representing 48%.

As at 31 December 2023, the Combined Group's non-controlling interests included those in subsidiaries based in Thailand and Japan, reflecting the acquisitions and transfer of TK interests undertaken during the year.

29. Non-controlling interests (cont'd)

The following table summarises the information relating to the Combined Group's subsidiaries that has material NCI, before any intra-group eliminations:

		2023		**2022**
	Thailand	**Japan - Hikari**	**Japan - Hayabusa**	**Thailand**
	US$'000	US$'000	US$'000	US$'000
Non-current assets	307,277	324,336	214,487	323,769
Current assets	51,741	33,270	30,581	36,939
Non-current liabilities	(44,751)	(254,321)	(169,920)	(53,054)
Current liabilities	(13,664)	(26,190)	(11,788)	(24,751)
Net assets	300,603	77,095	63,360	282,903
Dividends paid by subsidiaries during the year	(18,835)	(9,245)	(14,435)	(9,792)
NCI percentage	30%	62%	48%	30%
Net assets attributable to NCI	84,531	43,030	23,562	81,933
Revenue	43,363	27,698	19,063	42,753
Profit	26,433	7,834	9,562	26,540
OCI	55	(4,191)	(901)	(4,744)
Total comprehensive income	26,488	3,643	8,661	21,796
Profit allocated to NCI	7,930	1,923	1,517	7,962
OCI allocated to NCI	17	(1,989)	(425)	(1,423)

Dividends

The following exempt (one-tier) dividends were declared and paid by subsidiaries to non-controlling interests by the Combined Group:

	2023		**2022**
	US$'000	US$'000	US$'000
	Thailand	**Japan**	**Thailand**
Dividends paid to non-controlling interests	5,651	9,223	2,938

29. Non-controlling interests (cont'd)

Transfer of TK interests without a loss in control

In May 2023, the Combined Group transferred approximately 48% of TK interests in Project Hayabusa to NRE Hayabusa Investment Limited Partnership for a total cash purchase consideration of US$31.1 million (JPY4.4 billion).

Following is the schedule of interests transferred:

	2023
	US$'000
Cash consideration received	31,058
Non-controlling interests' share of net assets	(28,366)
Difference recognised in equity	2,692

Acquisition of non-controlling interests

On 25 April 2022, the Combined Group acquired an additional 30% interest in the voting shares of Vena Energy Taiwan Solar Energy Ltd, increasing its ownership interest to 100%. Cash consideration of US$11.6 million was paid to the non-controlling shareholders. Following is a schedule of additional interest acquired in Vena Energy Taiwan Solar Energy Ltd:

	2022
	US$'000
Cash consideration paid	11,600
Carrying value of the additional interest	(5,388)
Difference recognised in equity	6,212

30. Loans and borrowings and lease liabilities

	Note	2023 US$'000	2022 US$'000
Non-current			
Loans and borrowings:			
- Project finance debts	(b)	2,514,044	1,956,455
- Revolving credit facilities		–	13,808
- Euro Medium Term Note	(a)	499,857	499,435
- External party loan		2,333	–
		3,016,234	2,469,698
Lease liabilities		361,636	344,581
Current			
Loans and borrowings:			
- Project finance debts	(b)	225,938	261,276
- External party loan		2,480	2,480
- Working capital loan		–	6,015
Interest payable			
- Project finance debts		815	1,170
- Euro Medium Term Note		5,058	5,067
- Derivatives		2,071	1,816
- External party loan		69	–
		236,431	277,824
Lease liabilities		18,740	13,376
Total loans and borrowings and lease liabilities		3,633,041	3,105,479

(a) On 26 February 2020, a subsidiary of the Combined Group, Vena Energy Capital Pte. Ltd. ("Euro Medium Term Note Issuer"), issued US$325,000,000 3.133% per annum notes due in 2025 listed on Singapore Exchange Securities Trading Limited ("SGX-ST") under the US$1 billion Global Medium Term Note Programme (the "Notes"). The Notes bear interest at the rate of 3.133% per annum from and including 26 February 2020, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2020. The Notes will mature on 26 February 2025.

30. Loans and borrowings and lease liabilities (cont'd)

(a) On 8 July 2021, Vena Energy Capital Pte. Ltd., issued US$175,000,000 3.133% per annum notes due in 2025 listed on the SGX-ST under the Notes Programme. The Notes were issued at a premium for a total consideration of US$178,638,250. The Notes are to be consolidated and form a single series with the US$325,000,000 3.133% per annum notes issued on 27 February 2020. The Notes bear interest at the rate of 3.133% per annum from and including 26 February 2021, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2021. The Notes will mature on 26 February 2025.

The Euro Medium Term Note proceeds were allocated to the Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd. and Zenith Japan Holdings Ltd (as trustee for Zenith Japan Holdings Trust) through intercompany loans.

The Holding Companies jointly and severally act as guarantors for Vena Energy Capital Pte. Ltd. For the bond issuance. The due and punctual payment of all sums payable by Vena Energy Capital Pte. Ltd. From time to time in respect of the bond will be unconditionally and irrevocably guaranteed on a joint and several basis by the guarantors.

(b) Project finance debts are entered with reputable financial institutions by respective Group entities and are repayable on a quarterly basis with maturity date from 2025 to 2044 (2022: 2023 to 2044). The interest rates on these borrowings consist of fixed rates and floating rates.

Project finance debts are secured over the assets of the Combined Group.

The below table show the notional amount of outstanding loans and borrowings not including transaction costs.

Gross debt

	2023 US$'000	**2022** US$'000
Non-current		
Project finance debts	2,549,296	1,990,712
Euro Medium Term Note	500,000	500,000
Revolving credit facilities	–	15,111
External party loan	2,333	–
	3,051,629	2,505,823
Current		
Project finance debts	231,138	266,409
External party loan	2,480	2,480
Working capital loan	–	6,015
	233,618	274,904
	3,285,247	2,780,727

30. Loans and borrowings and lease liabilities (cont'd)

Information about the Combined Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 33.

Terms and conditions of loans and borrowings are as follows:

	Currency	Year of maturity	Principal amount 2023 US$'000	Principal amount 2022 US$'000	Nominal interest rate 2023 %	Nominal interest rate 2022 %
Project finance debt	AUD	2044	99,032	102,040	BBSY+1.7	BBSY+1.7
Project finance debt	AUD	2025	49,135	56,457	BBSY+1.2	BBSY+1.2
Project finance debt	AUD	2027	116,938	117,452	BBSY+1.4 – 2.3	BBSY+1.4 – 2.3
Project finance debt	INR	2035	79,555	80,360	9.2	10.3-10.5
Project finance debt	INR	2033	15,216	15,590	8.9	8.9
Project finance debt	INR	2033	13,653	15,941	9.1	9.5
Project finance debt	INR	2028	7,484	9,135	11.0	10.0
Project finance debt	INR	2033	50,263	54,504	8.7	8.4
Project finance debt	INR	2037	45,940	49,656	9.3-10.2	9.3
Project finance debt	INR	2035	18,741	20,978	8.2	8.2
Project finance debt	INR	2033	64,328	66,433	8.6	8.6
Project finance debt	INR	2025	69,031	71,691	7.4-8.2	7.4
Project finance debt	INR	2027	109,810	1,843	3M T-bill+2.0	11.7
Project finance debt	THB	2027	23,001	43,386	4.2 and MLR-2.8	4.2 and MLR-2.8
Project finance debt	USD	2037	86,988	94,004	3.9 – 5.7	3.9 – 5.7
Project finance debt	USD	2037	15,231	16,562	3.0 – 5.7	3.0 – 5.7
Project finance debt	USD	2037	13,949	15,168	3.0 – 5.7	1.5 – 5.7
Project finance debt	NTD	2033 to 2040	364,569	335,605	TAIBOR + 1.5 to 1.7	TAIBOR + 1.5 to 1.7
Project finance debt	JPY	2034 to 2042	1,191,368	651,020	3M TIBOR+0.4 to 0.8	3M TIBOR+0.5 to 0.8
Project finance debt	JPY	2027	244,323	161,232	TONAR +0.8	TONAR +0.8 to 0.9
Project finance debt	JPY	2038	40,553	208,022	6M TIBOR + 1.1	6M TIBOR + 0.8 to 1.0
Project finance debt	JPY	2038	61,326	70,042	1.9	1.9
External party loan	USD	2024	2,480	2,480	Interest free	Interest free
External party loan	KRW	2027 to 2028	2,333	–	5.9	–
Revolving credit facilities	JPY	2024	–	15,111	–	TONAR+ 1.0
Euro Medium Term Note	USD	2025	500,000	500,000	3.1	3.1
Working capital loan	INR	2023	–	6,015	–	13.0
			3,285,247	2,780,727		

30. Loans and borrowings and lease liabilities (cont'd)

Debt covenant

The project finance debts contain debt covenants which are tested on a regular basis. A breach of these covenants may require the Combined Group to repay the project finance debts earlier than indicated in the table above. Except as disclosed below, the Combined Group has not breached any debt covenants as at 31 December 2023 and 31 December 2022 respectively.

As at 31 December 2022, a subsidiary of Vena Energy Taiwan Holdings Pte. Ltd. did not meet the loan covenant requirements in respect of a bank loan with a carrying amount of US$9.0 million, resulting in the loan being repayable on demand. Accordingly, the bank loan had been presented as a current liability as at 31 December 2022.

As at 31 December 2022, a subsidiary of Vena Energy Holdings Pte. Ltd. did not meet the debt covenant which stipulated that annual debt service coverage ratio ("DSCR") shall not be less than 1.15 times at each assessment date. Due to the breach, the lender was contractually entitled to request for immediate repayment of the outstanding loan amount of US$80.4 million. Accordingly, the outstanding balance had been presented as a current liability as at 31 December 2022.

Zenith Japan Holdings Trust and its subsidiaries have not breached any debt covenants as at 31 December 2023 and 2022.

As at 31 December 2023, project finance debts amounting to US$2,780.4 million (2022: US$2,257.1 million) have been taken up by the subsidiaries of the Combined Group where these debt obligations have no recourse to the Combined Group.

Leverage ratio

Pursuant to the amendment and restatement agreement dated 21 May 2021 relating to the existing facilities agreement between Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd., Zenith Japan Holdings Trust and Credit Agricole Corporate and Investment Bank acting as agent and issuing bank (the "RCF Facility Agreement"), the Combined Group has complied with all covenants relating to the Revolving Credit Facilities as at 31 December 2023.

30. Loans and borrowings and lease liabilities (cont'd)

Pledges for facility agreements

The Combined Group has entered into several Facilities agreements with various financial institutions. Under these agreements, these financial institutions provide project financing debts of US$2,780.4 million (2022: US$2,257.1 million) to the Combined Group on a combination of fixed and floating rates.

The obligations of the Combined Group to the banks are collateralised by the pledges of all the shares of the project entities and liens on and security interests in substantially all of the project entities' assets, its rights under various agreements, all of the project entities' revenues and all insurance proceeds payable to the project entities and require the project entities to comply with various administrative requirements.

The Combined Group's assets directly pledged in relation to the facilities agreements are as disclosed in Notes 15, 17 and 25 to the financial statement. The indirect pledge over the Combined Group's consolidated net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	2023 US$'000	**2022** US$'000
Project entities' contribution to the net assets of the Combined Group	797,742	965,089

Stand-by letter of credit

As at 31 December 2023, the Combined Group obtained the following stand-by letter of credit ("SBLC"):

- US$349.7 million (2022: US$153.1 million) which expires over the period from April 2024 to March 2025 (2022: January 2023 to December 2023). The SBLC bears an interest of 0.9% to 1.0% (2022: 0.8% to 1.0%) per annum.

- US$1.8 million (2022: US$1.9 million) with no maturity (2022: no maturity). The SBLC bears an interest of 0.8% (2022: 0.8%) per annum.

30. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

		Liabilities					
Group	**Note**	**Project finance debts** US$'000	**Working capital loans**[1] US$'000	**Interest payable** US$'000	**Euro Medium Term Note** US$'000	**Lease liabilities** US$'000	**Total** US$'000
Balance at 1 January 2023		2,218,901	22,303	1,816	504,502	357,957	3,105,479
Changes from financing cash flows							
Proceeds		592,201	422,533	–	–	–	1,014,734
Repayment		(250,382)	(431,730)	–	–	(16,023)	(698,135)
Transaction costs		(6,876)	(2,979)	–	–	–	(9,855)
Interest paid		(79,835)	(1,261)	(867)	(15,665)	(4,627)	(102,255)
Total changes from financing cash flows		255,108	(13,437)	(867)	(15,665)	(20,650)	204,489
Effect of exchange rate changes		(99,001)	(6,582)	49	–	(11,553)	(117,087)
Other changes							
Liability-related							
Acquisition of subsidiaries	37	280,719	611	–	–	14,302	295,632
New leases		–	–	–	–	48,766	48,766
Lease modification		–	–	–	–	(4,965)	(4,965)
Lease termination		–	–	–	–	(8,352)	(8,352)
Interest expense		72,617	1,068	1,073	14,647	4,871	94,276
Other finance costs		12,453	919	–	1,431	–	14,803
Total liability-related other changes		365,789	2,598	1,073	16,078	54,622	440,160
Balance at 31 December 2023		2,740,797	4,882	2,071	504,915	380,376	3,633,041

[1] Working capital loans included revolving credit facilities, working capital loan and external party loan.

30. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities					
Group	**Project finance debts** US$'000	**Working capital loans**[1] US$'000	**Interest payable** US$'000	**Euro Medium Term Note** US$'000	**Lease liabilities** US$'000	**Total** US$'000
Balance at 1 January 2022	1,803,206	15,283	1,372	504,169	352,224	2,676,254
Changes from financing cash flows						
Proceeds	808,022	311,641	–	–	–	1,119,663
Repayment	(201,100)	(303,608)	–	–	(12,132)	(516,840)
Transaction costs	(19,849)	(1,851)	–	(88)	–	(21,788)
Interest paid	(67,168)	(2,601)	(2,000)	(15,656)	(4,427)	(91,852)
Total changes from financing cash flows	519,905	3,581	(2,000)	(15,744)	(16,559)	489,183
Effect of exchange rate changes	(179,137)	(29)	(1,843)	–	(39,548)	(220,557)
Other changes						
Liability-related						
New leases	–	–	–	–	66,619	66,619
Lease modification	–	–	–	–	(7,803)	(7,803)
Other finance costs	9,532	2,711	–	1,400	–	13,643
Interest expense	65,395	757	4,287	14,677	3,024	88,140
Total liability-related other changes	74,927	3,468	4,287	16,077	61,840	160,599
Balance at 31 December 2022	2,218,901	22,303	1,816	504,502	357,957	3,105,479

[1] Working capital loans included revolving credit facilities, working capital loan and external party loan.

31. Asset retirement obligation

	Note	2023 US$'000	2022 US$'000
At 1 January		72,153	49,583
Provision made during the year		4,252	29,535
Acquisition of subsidiaries	37	8,202	–
Interest expense from unwinding of discount		921	719
Effect of exchange rate changes		(2,465)	(7,684)
At 31 December		83,063	72,153

The Combined Group has recorded asset retirement obligation primarily associated with the estimated cost to reinstate sites involved in power generation.

Due to the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Combined Group has assumed that the site will be restored using technology and materials that are available currently. The provision has been calculated using a discount rate of between 0.7% - 4.4% (2022: 0.7% - 4.4%), which is the risk-free rate in the jurisdiction of the liability. The management expects cash outflows between 17 to 28 years (2022: 17 to 28 years) after the commissioning of the power plants.

As at 31 December 2023, out of the carrying amount of US$83.1 million (2022: US$72.2 million), US$63.1 million (2022: US$54.4 million) is included in the carrying amount of asset retirement obligation which is primarily associated with the estimated cost to reinstate property involved in power generation in Japan.

32. Trade and other payables

	Note	2023 US$'000	2022 US$'000
Non-current			
Deferred income	(a)	8,101	6,180
Accrued staff costs		2,845	–
		10,946	6,180
Current			
Trade payables		21,383	28,651
Payables to EPC contractors		15,415	58,039
Accrued operating expenses		57,636	54,399
Accrued staff costs		2,450	1,986
Deferred income	(b)	241	1,251
Other tax payable		17,980	13,609
Amount due to:			
- Equity-accounted investees		–	9
- Other third parties		10,083	9,254
		125,188	167,198
Total trade and other payables		136,134	173,378

Trade payables are non-interest bearing and are generally settled on standard credit terms ranging from 30 to 90 days (2022: 30 to 90 days).

(a) Non-current deferred income relates to advanced mobilisation payments received from non-related parties, amortised over period with regards to operations and maintenance agreements.

(b) In 2023, included in current deferred income is US$0.1 million (2022: US$0.1 million) which relates to government grants on bond issuance, amortised over bond life of 5 years. In 2022, current deferred income also includes US$0.4 million of government grants on project, amortised over power purchase agreement period of 25 years.

33. Financial instruments

Financial risk management

Overview

The Combined Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Combined Group's risk management framework. Management is responsible for developing and monitoring the Combined Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Combined Group's risk management policies are established to identify and analyse the risks faced by the Combined Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Combined Group's activities. The Combined Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Combined Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Combined Group's receivables from customers, loans receivables and other receivables.

The carrying amount of financial assets in the combined statement of financial position represents the Combined Group's maximum exposures to credit risk, before taking into account any collateral held. The Combined Group does not hold any collateral in respect of its financial assets.

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Impairment loss on financial assets included in the statement of profit and loss

Trade receivables and contract assets

The Combined Group's customers comprise mainly government or quasi-government offtakers of electricity, and a small number of private offtakers. Exposure to credit risk is influenced mainly by the individual characteristics of the offtaker and/or the government entity supporting the offtaker.

Most of the Combined Group's customers have been transacting with the respective Combined Group entities for over 1 year, and no impairment loss has been recognised against these customers.

Exposure to credit risk

The maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

	Carrying amount	
	2023	**2022**
	US$'000	US$'000
Australia	8,620	2,321
India	30,740	64,997
Indonesia	2,583	2,664
Japan	13,148	11,585
Philippines	2,952	3,661
Taiwan	11,196	59,032
Thailand	6,839	7,739
Others[1]	–	74
	76,078	152,073

[1] Others includes offshore entities in Singapore, Cayman Islands and Netherlands.

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Impairment loss on financial assets included in the statement of profit and loss (cont'd)

Trade receivables and contract assets (cont'd)

Impairment

A summary of the exposure to credit risk for trade receivables and contract assets is as follows:

	2023		2022	
	Not credit-impaired US$'000	**Credit-impaired** US$'000	**Not credit-impaired** US$'000	**Credit-impaired** US$'000
Australia	8,620	–	2,321	–
India	9,539	21,201	24,870	40,127
Indonesia	2,583	–	2,664	–
Japan	13,148	–	11,585	–
Philippines	2,952	–	3,661	–
Taiwan	11,196	–	59,032	–
Thailand	6,839	–	7,739	–
Others[1]	–	–	74	–
Total gross carrying amount	54,877	21,201	111,946	40,127
Loss allowance	(64)	(9,153)	(72)	(4,849)
	54,813	12,048	111,874	35,278

[1] Others includes offshore entities in Singapore, Cayman Islands and Netherlands.

At 31 December 2023, the carrying amount of the Combined Group's top five customers amounted to US$44.0 million (2022: US$136.5 million), which accounts for 57.8% (2022: 89.7%) of the balance.

Expected credit loss assessment for trade receivables and contract assets

The Combined Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High".

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Impairment loss on financial assets included in the statement of profit and loss (cont'd)

Expected credit loss assessment for trade receivables and contract assets (cont'd)

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers as at 31 December:

Credit risk grade	**Loss rate** %	**Gross carrying amount** US$'000	**Impairment loss allowance** US$'000	**Credit impaired**
2023				
Government or government-linked				
Low	0.0#	29,416	–	No
Real Estate industry				
Low	0.6	130	–	No
Utilities industry				
Low	0.4	25,331	142	No
High	4.4	21,201	9,075	Yes
		76,078	9,217	
2022				
Government or government-linked				
Low	0.0#	78,304	8	No
Real Estate industry				
Low	0.6	76	–	No
Utilities industry				
Low	0.4	33,566	64	No
High	4.4	40,127	4,849	Yes
		152,073	4,921	

ECL rate is insignificant and is shown as 0.0% due to rounding

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Movements in allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	2023 US$'000	**2022** US$'000
At 1 January	4,921	3,082
Net impairment loss recognised	4,469	2,203
Effects of exchange rate changes	(173)	(364)
At 31 December	9,217	4,921

Other receivables

Other receivables comprise mainly balances due from affiliates of the Combined Group to which the Combined Group has provided short term liquidity for strategic purposes.

Most of the Combined Group's counterparties have been transacting with the respective Group entities for over 1 year, and no impairment loss has been recognised against these counterparties.

Expected credit loss assessment for other receivables

The Combined Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and loss rate ranges from 0.4% to 2.5% (2022: 0.4% to 2.5%).

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date is the carrying value of other receivables disclosed in Note 24. As at 31 December 2023 and 2022, there were no balances assessed to be credit-impaired. The Combined Group does not require collateral in respect of other receivables.

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Movements in allowance for impairment in respect of other receivables

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	2023 US$'000	**2022** US$'000
At 1 January	825	300
Net impairment loss (reversed)/recognised	(607)	471
Effect of exchange rate changes	(100)	54
At 31 December	118	825

Loans receivables

Loans receivables comprises mainly balances due from equity-accounted investees and other affiliates of the Combined Group to which the Combined Group has provided financing for long term strategic purposes.

Most of the Combined Group's counterparties have been transacting with the respective Combined Group Entities for over 1 year, and no impairment loss has been recognised against these counterparties.

Expected credit loss assessment for loans receivables

The Combined Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and loss rate of 0.4% (2022: 0.4%).

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date is the carrying value of loans receivables disclosed in Note 21. As at 31 December 2023 and 2022, there were no balances assessed to be credit-impaired. The Combined Group does not require collateral in respect of loans receivables.

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Movements in allowance for impairment in respect of loans receivables

The movement in the allowance for impairment in respect of loans receivables during the year was as follows:

	2023 US$'000	**2022** US$'000
At 1 January	418	418
Net impairment loss reversed	(417)	–
At 31 December	1	418

Cash and bank balances and restricted cash

The Combined Group held cash and bank balances and restricted cash of US$596.9 million (2022: US$439.5 million) and US$51.3 million (2022: US$31.4 million) respectively at 31 December 2023, representing the maximum credit exposure on these assets. The cash and bank balances and restricted cash are held with bank and financial institution counterparties which are rated BBB- to AAA (2022: BB to AA-), based on S&P Global ratings and B3 to Aaa (2022: B3 to Aa3), based on Moody Corporation ratings.

Impairment on cash and bank balances and restricted cash has been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Combined Group considers that its cash and bank balances and restricted cash have low credit risk based on the external credit ratings of the counterparties and subject to immaterial loss.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Combined Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Combined Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Combined Group's reputation.

The Combined Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Combined Group's operations and to mitigate the effects of fluctuations in cash flows.

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk

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

	Contractual cash flows US$'000	12 months or less US$'000	1 to 2 years US$'000	2 to 5 years US$'000	More than 5 years US$'000
2023					
Non-derivative financial liabilities					
Bank loans	(2,866,693)	(255,203)	(259,458)	(766,576)	(1,585,456)
Euro Medium Term Note	(523,660)	(15,827)	(507,833)	–	–
Lease liabilities	(461,185)	(23,338)	(19,170)	(55,577)	(363,100)
Trade and other payables*	(106,967)	(106,967)	–	–	–
	(3,958,505)	(401,335)	(786,461)	(822,153)	(1,948,556)
Derivative financial instruments					
Interest rate swaps (net-settled)	(4,744)	(863)	–	(745)	(3,136)
Forward exchange contracts (gross-settled):					
- Outflow	(4,068)	(4,068)	–	–	–
- Inflow	3,959	3,959	–	–	–
Electricity derivatives (net-settled)	(74,657)	(11,004)	(18,446)	(27,614)	(17,593)
	(79,510)	(11,976)	(18,446)	(28,359)	(20,729)
	(4,038,015)	(413,311)	(804,907)	(850,512)	(1,969,285)

* Excludes non-financial liabilities

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

	Contractual cash flows US$'000	**12 months or less** US$'000	**1 to 2 years** US$'000	**2 to 5 years** US$'000	**More than 5 years** US$'000
2022					
Non-derivative financial liabilities					
Bank loans	(2,495,724)	(314,961)	(192,162)	(708,986)	(1,279,615)
Euro Medium Term Note	(539,163)	(15,665)	(15,665)	(507,833)	–
Lease liabilities	(445,401)	(18,699)	(19,360)	(52,293)	(355,049)
Trade and other payables*	(152,338)	(152,338)	–	–	–
	(3,632,626)	(501,663)	(227,187)	(1,269,112)	(1,634,664)
Derivative financial instruments					
Interest rate swaps (net-settled)	(5,463)	(4,178)	(4,286)	(18,847)	21,848
Forward exchange contracts (gross-settled):					
- Outflow	(40,664)	(40,664)	–	–	–
- Inflow	35,713	35,713	–	–	–
Electricity derivatives (net-settled)	35,028	756	(25,975)	9,373	50,874
	24,614	(8,373)	(30,261)	(9,474)	72,722
	(3,608,012)	(510,036)	(257,448)	(1,278,586)	(1,561,942)

* Excludes non-financial liabilities

Market risk

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

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Currency risk

The Combined Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Combined Group entities. The Combined Group ensures that the net exposure to foreign currency risk is monitored on an ongoing basis and the Combined Group endeavours to keep the net exposure at an acceptable level.

The Group enters into foreign currency forward contracts and cross currency swaps (as disclosed in Note 22) to manage its foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Combined Group's exposure to currency risk as reported to the management of the Combined Group is as follows:

	USD US$'000	**JPY** US$'000	**KRW** US$'000	**Others** US$'000
2023				
Loans receivables	–	645	13,391	–
Trade and other receivables	–	–	–	417
Cash and bank balances	11,432	33,586	–	184
Derivative assets	–	91,085	–	–
Loans and borrowings	–	(7,129)	(2,333)	–
Trade and other payables	–	(1,681)	(80)	(15)
Net exposure	11,432	116,506	10,978	586
2022				
Loans receivables	–	–	10,644	–
Trade and other receivables	6	–	–	345
Cash and bank balances	2,343	26,448	–	4,722
Derivative assets	–	51,660	–	–
Loans and borrowings	–	(15,111)	–	–
Trade and other payables	(1,914)	(1,805)	–	–
Net exposure	435	61,192	10,644	5,067

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Currency risk (cont'd)

Sensitivity analysis

A 5% strengthening of the dollar against the respective currencies at the reporting date would increase/(decrease) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss before tax	
	2023	**2022**
	US$'000	US$'000
USD (5% strengthening)	572	22
JPY (5% strengthening)	(5,825)	(3,060)
KRW (5% strengthening)	(549)	(532)
Others (5% strengthening)	(29)	(253)

In the case of a 5% weakening of the dollar against the respect currencies, the effects are equal but with an opposite effect.

Interest rate risk

Interest rate risk refers to the risk faced by the Combined Group as a result of fluctuations in interest rates. The Combined Group manages some of its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Combined Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Combined Group borrowed at fixed rates directly.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Combined Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group's main IBOR exposure at 31 December 2023 was indexed to yen Tokyo IBOR ("TIBOR"), Taipei IBOR ("TAIBOR") and Bank bill swap bid rate ("BBSY").

The Board of Directors monitors and manages the Combined Group's transition to alternative rates. The Board evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Interest rate risk (cont'd)

Non-derivative financial liabilities

The Combined Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2023 included project finance debts indexed to yen TIBOR, TAIBOR and BBSY.

JBA TIBOR Administration ("JBATA") announced that it would consult on its intention to retain the Japanese Yen TIBOR benchmark rate. After conducting a public consultation, JBATA has decided to continue to publish all tenors of the Japanese Yen TIBOR going forward. The Group expects that Japanese Yen TIBOR will continue to exist as a benchmark rate for the foreseeable future. The total notional amounts of the Japanese Yen TIBOR indexed loans and borrowings as at 31 December 2023 are US$1,231.9 million (2022: 859.0 million) (Note 30).

There have been no announcements on TAIBOR reform, and the Group expects TAIBOR will continue to exist as a benchmark rate for the foreseeable future. The total notional amounts of the TAIBOR indexed loans and borrowings as at 31 December 2023 are US$364.6 million (2022: US$335.6 million) (Note 30).

The Australian Securities and Investments Commission and the Reserve Bank of Australia have stated that BBSW remains a robust benchmark, and hence there are no current plans to discontinue its use. Since BBSY is directly derived from the BBSW benchmark, the robustness and continued use of the primary BBSW benchmark suggests that the BBSY benchmark is also likely to be maintained without any plans for discontinuation. The total notional amounts of the BBSY indexed loans and borrowings as at 31 December 2023 are US$265.1 million (2022: $275.9 million) (Note 30).

Exposure to interest rate risk

At the reporting date, the variable rate interest-bearing financial instruments that are subject to interest rate risk were as follows:

	Notional amount	
	2023	**2022**
	US$'000	US$'000
Fixed rate instruments		
Financial assets	23,552	21,267
Financial liabilities	(1,424,414)	(1,445,879)
Cross currency swaps	500,000	500,000
Variable rate instruments		
Financial liabilities	(2,238,729)	(1,690,325)
Interest rate swaps	1,995,972	1,028,165

33. Financial instruments (cont'd)

Financial risk management (cont'd)

Interest rate risk (cont'd)

Non-derivative financial liabilities (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Combined Group accounts for fixed rate derivative assets and liabilities at fair value through profit or loss. A change of 100 basis points in interest rates would have increased or decreased equity by approximately US$0.02 million (2022: US$0.02 million) for the Combined Group. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

At 31 December 2023, if USD interest rates had been 100 basis points lower/higher, the Combined Group's profit before tax would have been US$16.9 million (2022: US$6.6 million) lower/higher.

This analysis arose mainly as a result of lower/higher interest expense on variable rate instruments and assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Capital management

The Combined Group's objective in managing capital is to ensure a stable and strong capital base to maximise returns for its shareholders.

The Combined Group defines capital as including all components of share capital and units in issue. The Combined Group's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Combined Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Combined Group, to the extent that these do not conflict with the directors' fiduciary duties towards the Combined Group.

34. Fair value of financial instruments

Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Combined Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Combined Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Combined Group measures instruments quoted in an active market at mid-price.

If there is no quoted price in an active market, then the Combined Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

The Combined Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

34. Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Combined Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Additionally, it excludes fair value information for lease liabilities as it is not required.

At the reporting date, the fair values of trade and other receivables, cash and bank balances, restricted cash and trade and other payables are equivalent to the carrying amounts shown in the statement of financial position due to the short-term maturity of these financial instruments.

		Carrying amount					Fair value			
	Note	**Mandatorily at FVTPL** US$'000	**Designated at FVOCI** US$'000	**Amortised cost** US$'000	**Other financial liabilities** US$'000	**Total** US$'000	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
2023										
Trade and other receivables*	24	–	–	96,245	–	96,245				
Cash and bank balances	25	–	–	596,928	–	596,928				
Restricted cash	25	–	–	51,275	–	51,275				
Other investments	19	–	7,549	–	–	7,549	–	–	7,549	7,549
Derivative assets	22	159,080	–	–	–	159,080	–	124,618	34,462	159,080
Loans receivables	21	–	–	32,281	–	32,281	–	32,282	–	32,282
		159,080	7,549	776,729	–	943,358				
Derivative liabilities	22	(98,236)	–	–	–	(98,236)	–	(4,277)	(93,959)	(98,236)
Loans and borrowings	30	–	–	–	(3,252,665)	(3,252,665)	–	(3,293,260)	–	(3,293,260)
Trade and other payables*	32	–	–	–	(109,812)	(109,812)				
		(98,236)	–	–	(3,362,477)	(3,460,713)				

* Excludes non-financial assets and liabilities

34. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	**Mandatorily at FVTPL** US$'000	**Amortised cost** US$'000	**Other financial liabilities** US$'00	**Total** US$'000	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
2022									
Trade and other receivables*	24	–	198,376	–	198,376				
Cash and bank balances	25	–	439,484	–	439,484				
Restricted cash	25	–	31,360	–	31,360				
Other investments	19	2,559	–	–	2,559	–	–	2,559	2,559
Derivative assets	22	148,013	–	–	148,013	–	97,871	50,142	148,013
Loans receivables	21	–	27,980	–	27,980	–	28,398	–	28,398
		150,572	697,200	–	847,772				
Derivative liabilities	22	(46,313)	–	–	(46,313)	–	(5,208)	(41,105)	(46,313)
Loans and borrowings	30	–	–	(2,747,522)	(2,747,522)	–	(2,788,782)	–	(2,788,782)
Trade and other payables*	32	–	–	(152,338)	(152,338)				
		(46,313)	–	(2,899,860)	(2,946,173)				

* Excludes non-financial assets and liabilities

34. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other investments: Equity investments – at FVTPL and FVOCI	*Discounted cash flows:* The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Discount rate	The estimated fair value would increase (decrease) if the discount rates was lower (higher).
Electricity derivatives	*Discounted cash flows:* The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the expectation of spot rates for the duration of the contract.	Electricity spot rates Discount rate	The estimated fair value would increase (decrease) if: • The electricity spot rate was lower (higher); • The discount rate was lower (higher).

34. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments measured at fair value (cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Interest rate swaps	*Swap models:* The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.
Forward exchange contracts	*Forward pricing:* The fair value is determined using quoted forward rates at the reporting date and present value calculations based on yield curves in respective currencies.	Not applicable.	Not applicable.
Cross currency swaps	*Swap models:* Cross currency swaps are measured using quoted forward exchange rates and yield curves from quoted interest rates of the respective currencies, matching maturities of the swaps.	Not applicable.	Not applicable.

34. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments not measured at fair value

Type	Valuation technique
Loans and borrowings / Loans receivables	*Discounted cash flows:* The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

Level 3 fair values

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

	2023			2022	
	Equity investments – at FVTPL US$'000	**Equity investments – at FVOCI** US$'000	**Electricity derivatives** US$'000	**Equity investments – at FVTPL** US$'000	**Electricity derivatives** US$'000
At 1 January	2,559	–	9,037	1,851	146,520
Reclassification[1]	(2,559)	2,559	–	–	–
Disposal	–	(2,060)	–	–	–
Net fair value gain on equity instruments designated at FVOCI recognised in OCI	–	7,105	–	–	–
Total unrealised gains recognised in profit or loss	–	–	–	1,097	–
Ineffective portion of changes in fair value of cash flow hedge recognised in profit or loss	–	–	5,819	–	(37,383)
Effective portion of changes in fair value of cash flow hedge recognised in OCI, net	–	–	(74,687)	–	(91,478)
Foreign currency translation recognised in OCI	–	(55)	334	(389)	(8,622)
At 31 December	–	7,549	(59,497)	2,559	9,037

1 The Combined Group reviewed its business strategy of the equity investments and deemed that these investments are not held-for-trading but for long-term investment. Accordingly, the equity investments previously measured at FVTPL had been reclassified to equity investments at FVOCI at the beginning of the reporting period.

34. Fair value of financial instruments (cont'd)

Sensitivity analysis

Equity investments – at FVTPL and at FVOCI

As at 31 December 2023 and 2022, any reasonably possible change to the significant unobservable inputs applied is not likely to have a material impact on the Combined Group's results.

Electricity derivatives

For the fair values of electricity derivatives, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Increase/(decrease)	
	Profit before tax	**Cash flow hedge reserve**
	US$'000	US$'000
31 December 2023		
Spot rate		
- 0.1% increase	(19)	78
- 0.1% decrease	19	(78)
Discount rate		
- 0.1% increase	79	(331)
- 0.1% decrease	(79)	331

	Increase/(decrease)	
	Loss before tax	**Cash flow hedge reserve**
	US$'000	US$'000
31 December 2022		
Spot rate		
- 0.1% increase	5	(4)
- 0.1% decrease	(5)	4
Discount rate		
- 0.1% increase	174	(125)
- 0.1% decrease	(174)	125

35. Commitments

Construction agreements

As at 31 December 2023, the commitments for the acquisition of property, plant, and equipment included supply contracts and construction of power plants totaling US$255.7 million (2022: US$345.2 million).

Acquisitions

Project Yokji

On April 2020, the Combined Group entered into a share purchase agreement to acquire 100% of Yokji. A portion of the purchase consideration is contingent upon Yokji achieving certain project milestones.

In May 2021, the Combined Group made the contingent payment amounting to KRW2,200 million upon the execution of the grid connection agreement and recognised the contingent payment as part of the Combined Group's project-related agreements and licenses in Note 17 Intangible assets.

The Combined Group commits to pay the remaining contingent payment, amounting to KRW5,000 million, upon the submission of final and effective notice of the commencement of construction work to the competent Governmental Authority in relation to the project.

Project Taean

In January 2022, the Combined Group entered into a sale and purchase agreement to acquire 100% of Taean Wind Power Co., Ltd. (“Taean”) in stages. The total purchase consideration ranges from KRW50.0 billion to KRW140.0 billion and is contingent on the final tariff rate granted in the power purchase agreement and construction cost stated in the EPC contract that have yet to be fiinalised.

As at 31 December 2023, the Combined Group has acquired 45% of Taean for KRW4.3 billion (US$3.5 million) and paid an advanced partial consideration of KRW1.8 billion (US$1.4 million) in respect of the acquisition of second tranche of 45% share in Taean in accordance with the terms of the Sale and Purchase Agreement.

36. Related parties

During the year, other than those disclosed elsewhere in the combined financial statements, there were no other significant transactions with related parties.

37. Acquisition of subsidiaries

Business combination

In April 2023, in line with the Combined Group's strategy growth objective, the Combined Group acquired approximately 38% interest in NRE Hikari Investment Limited Partnership and its subsidiaries, GK NRE-04 Investment, GK NRE-06 Investment and GK NRE-18 Investment (collectively known as "Project Hikari"), which are solar renewable energy companies, for a total consideration of JPY3.7 billion (US$27.4 million). The transaction closed on 30 April 2023 and the acquired entities were consolidated as subsidiaries of the Combined Group.

From the date of acquisition, Project Hikari contributed US$21.3 million of revenue and US$4.2 million to profit before tax from continuing operations of the Combined Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been US$24.9 million and profit before tax from continuing operations for the Combined Group would have been US$8.6.

The Combined Group elected to measure the non-controlling interests at their proportionate share of interests in the acquired entities' identifiable net assets.

Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities at the date of acquisition were:

	Note	Fair value recognised on acquisition US$'000
Assets		
Property, plant and equipment	15	162,215
Right-of-use assets	16	20,135
Intangible assets – Project-related agreements and licences	17	177,550
Derivative assets		5,577
Loans receivables		611
Prepayment and other assets		1,293
Trade and other receivables		5,775
Cash and bank balances		18,261
		391,417
Liabilities		
Loans and borrowings	30	(281,330)
Lease liabilities	30	(14,302)
Derivative liabilities		(5,833)
Asset retirement obligation	31	(8,202)
Trade and other payables		(4,280)
		(313,947)
Total identifiable net assets at fair value		77,470

37. Acquisition of subsidiaries (cont'd)

Business combination (cont'd)

Identifiable assets acquired and liabilities assumed (cont'd)

	Note	Fair value recognised on acquisition US$'000
Total identifiable net assets at fair value		77,470
Non-controlling interests		(47,985)
Fair value of previously held interests in the acquired entities	34	(2,060)
Purchase consideration transferred		27,425
Less: Cash in acquired entities		(18,261)
Total net cash outflow on acquisition		9,164

The valuation technique used for measuring the material assets acquired were as follows:

Assets acquired	Valuation technique
Intangible assets – Project-related agreements and licences	*Multi-period excess earnings method:* The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the project-related agreements and licences, by excluding any cash flows related to contributory assets.
Property, plant and equipment	*Market comparison technique and cost technique:* The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

38. Contingent liability

Tax dispute

Certain subsidiaries of the Combined Group are involved in a tax dispute, with exposure amounting to approximately US$3.4 million (INR 287 million). An Assessing Officer ("AO") has made the following adjustments to the tax returns of the subsidiary:

- Disallowed interest differential between 9.5%/11.0% and 15.0%/10.9% for or non-convertible debentures/ rupee denominated bonds ("NCD/RDB"), respectively; and
- Disallowed certain Capex/Opex based expenditure.

These adjustments were deleted by an appellate tribunal. However, during the current financial year, the Revenue authorities have submitted an appeal to the Indian High Court, and as at 31 December 2023, the tax litigation remains in progress. Based on external tax and legal advice, management anticipates a favorable outcome for the Combined Group and expects its current tax treatment to be accepted.

39. Subsequent events

Amendment to existing revolving credit facilities agreement

On 24 January 2024, Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd., and Zenith Japan Holdings Trust (collectively, "the Borrowers") amended and restated the terms of their existing JPY52.8 billion (approximately US$364 million) corporate revolving credit facility (the "RCF"). The total commitment of the RCF has been expanded to JPY87.0 billion (approximately US$600 million) and the facility has a tenor of 5 years. The margin of the RCF is set at 1.0% with the potential to accomplish a further margin reduction if certain sustainability-related key performance indicators ("KPIs") are jointly achieved, or a margin increase in case all the KPIs are jointly missed.

Acquisition

On 14 February 2024, the Combined Group increased its stake in Taean from 45% to 90%, making the second tranche payment of KRW3.0 billion (US$2.3 million) for the acquisition of an additional 45% of the shares in accordance with the terms of the sale and purchase agreement.

40. Authorisation of financial statements

The combined financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 10 May 2024.

Vena Energy Holdings Pte. Ltd.
and its Subsidiaries

(Formerly known as Vena Energy Holdings Ltd
and its Subsidiaries)

Annual Report
For the year ended 31 December 2023

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

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Statement by Directors

The directors hereby present their statement to the member together with the audited consolidated financial statements of Vena Energy Holdings Pte. Ltd. (formerly known as Vena Energy Holdings Ltd) (the “Company”) and its subsidiaries (collectively, the “Group”), and the statement of financial position, statement of profit or loss, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

(I) the financial statements comprising the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and the consolidated financial performance, changes in equity and cash flows of the Group and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) and International Financial Reporting Standards (“IFRS”); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are as follows:

Juan Mas Valor
Nitin Srinivas Apte
Rupert Charles Collinson Hall
Simone Grasso

Arrangements to enable directors to acquire shares or debentures.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

DocuSigned by:
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Nitin Srinivas Apte
Director

DocuSigned by:
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Rupert Charles Collinson Hall
Director

10 May 2024

Singapore

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vena Energy Holdings Pte. Ltd. (formerly known as Vena Energy Holdings Ltd) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the Group and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the Company's financial performance, changes in equity and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditors" responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code ("ACRA") of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. The other information comprises the information included in the Statement by Directors, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of management and the Director for the audit of the financial statements

Management is responsible for the preparation of financial statements in accordance with SFRS(I) and IFRS, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

10 May 2024

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Statements of Profit or Loss
For the year ended 31 December 2023

	Note	Group		Company	
		2023 US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
Sale of energy		282,829	175,056	–	–
Fee income		49,573	160,278	–	–
Dividend income		–	–	27,454	6,586
Total revenue	4	332,402	335,334	27,454	6,586
Other income	5	21,331	10,616	–	–
Operating costs	6(a)	(58,457)	(37,627)	–	–
Other cost of operations	6(b)	(4,699)	(2,119)	–	–
Shared services costs	7	(89,880)	(169,092)	(12,850)	(203)
Development costs	8	(1,613)	(2,541)	–	–
Depreciation expense	14,15	(72,729)	(41,872)	–	–
Amortisation expense	16	(47,667)	(26,923)	–	–
Results from operating activities		78,688	65,776	14,604	6,383
Finance income	9	22,879	18,278	2,505	1,674
Finance costs	9	(88,434)	(82,274)	(10,619)	(7,941)
Change in fair value of financial instruments at fair value through profit or loss ("FVTPL")	10	53,852	40,025	891	(381)
Net foreign exchange (loss)/gain		(1,516)	(72,212)	32,043	14,617
Net finance (costs)/income		(13,219)	(96,183)	24,820	7,969
Loss on disposal of property, plant and equipment		(513)	(83)	–	–
Reversal of impairment loss on property, plant and equipment		–	286	–	–
Impairment loss recognised on financial assets, net	11	(3,341)	(2,346)	–	–
Bad debts written off		–	(565)	–	–
Write-off of project costs		(4,666)	(2,808)	–	–
Other payables written back		531	1,185	–	–
Share of results of equity-accounted investees, net of tax	18	226	(4,129)	–	–
Profit/(loss) before tax	12	57,706	(38,867)	39,424	14,352
Tax (expense)/credit	13	(16,111)	2,580	(161)	–
Profit/(loss) for the year		41,595	(36,287)	39,263	14,352
Profit/(loss) attributable to:					
Owner of the Company		28,185	(44,245)		
Non-controlling interests	35	13,410	7,958		
		41,595	(36,287)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Statements of Comprehensive income
For the year ended 31 December 2023

	Note	Group		Company	
		2023 US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
Profit/(loss) for the year		41,595	(36,287)	39,263	14,352
Other comprehensive income ("OCI")					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plan		272	171	–	–
Related tax	13	(70)	(18)	–	–
Net fair value loss on equity instruments designated at fair value through other comprehensive income ("FVOCI")	32	(13,636)	–	–	–
		(13,434)	153	–	–
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		22,645	(87,052)	–	–
Foreign currency translation difference of equity-accounted investees	18	(6,005)	(20,240)	–	–
Effective portion of changes in fair value of cash flow hedge, net	32	(74,687)	(91,478)	–	–
Effective portion of hedge of net investment in foreign operation	32	(2,732)	–	–	–
		(60,779)	(198,770)	–	–
Other comprehensive income for the year		(74,213)	(198,617)	–	–
Total comprehensive income for the year		(32,618)	(234,904)	39,263	14,352
Total comprehensive income attributable to:					
Owner of the Company		(47,143)	(241,500)		
Non-controlling interests	35	14,525	6,596		
		(32,618)	(234,904)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Statements of Financial Position
As at 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	2,769,606	1,015,525	–	–
Right-of-use assets	15	299,332	76,779	–	–
Intangible assets	16	1,977,565	956,486	–	–
Investment in subsidiaries	17	–	–	3,961,884	2,135,151
Equity-accounted investees	18	430,045	388,454	–	–
Other investments	19	7,778	39,007	–	–
Deferred tax assets	20	18,059	14,836	–	–
Loans receivables	21	144,600	323,285	100,507	85,400
Derivative assets	22	152,093	119,426	–	–
Trade and other receivables	24	36,936	1,521	–	–
Prepayments and other assets	23	29,705	20,573	–	–
Restricted cash	25	51,275	31,360	–	–
		5,916,994	2,987,252	4,062,391	2,220,551
Current assets					
Loans receivables	21	16,974	10,244	32,972	12,867
Trade and other receivables	24	108,309	178,833	337	388
Prepayments and other assets	23	23,991	12,730	3,157	5
Derivative assets	22	2,456	6,621	–	1,579
Cash and bank balances	25	442,387	224,024	45,600	17,350
		594,117	432,452	82,066	32,189
Total assets		6,511,111	3,419,704	4,144,457	2,252,740
Equity					
Equity contribution	26	3,502,661	1,716,719	3,502,661	1,716,719
Accumulated (losses)/profits		(155,823)	6,889	91,558	52,295
Reserves	27	(534,424)	(192,173)	–	50,000
Equity attributable to owner of the Company		2,812,414	1,531,435	3,594,219	1,819,014
Non-controlling interests	35	207,121	82,235	–	–
Total equity		3,019,535	1,613,670	3,594,219	1,819,014

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Statements of Financial Position (cont'd)
As at 31 December 2023

	Note	Group		Company	
		2023	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
LIABILITIES					
Non-current liabilities					
Loans and borrowings	28	2,678,738	1,378,220	371,676	404,936
Lease liabilities	28	278,079	67,992	–	–
Employee benefits		703	772	–	–
Derivative liabilities	22	87,395	39,445	–	–
Asset retirement obligation	29	76,061	10,831	–	–
Trade and other payables	30	10,674	9,141	–	–
Deferred tax liabilities	20	12,377	11,295	–	–
		3,144,027	1,517,696	371,676	404,936
Current liabilities					
Loans and borrowings	28	220,593	151,661	163,792	23,462
Lease liabilities	28	14,297	5,625	–	–
Derivative liabilities	22	10,799	6,868	109	4,951
Trade and other payables	30	100,008	121,467	14,509	377
Current tax liabilities		1,852	2,717	152	–
		347,549	288,338	178,562	28,790
Net current assets/(liabilities)		246,568	144,114	(96,496)	3,399
Total liabilities		3,491,576	1,806,034	550,238	433,726
Total equity and liabilities		6,511,111	3,419,704	4,144,457	2,252,740

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

	Attributable to owner of the Company									
Group	**Equity contribution** US$'000	**Accumulated (losses)/ profits** US$'000	**Translation reserve** US$'000	**Cash flow hedge reserve** US$'000	**Merger Reserve** US$'000	**Fair value reserve** US$'000	**Other reserves** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total equity** US$'000
At 1 January 2023	1,716,719	6,889	(150,837)	(91,478)	–	–	50,142	1,531,435	82,235	1,613,670
Profit for the year	–	28,185	–	–	–	–	–	28,185	13,410	41,595
Other comprehensive income										
Foreign currency translation differences	–	–	21,530	–	–	–	–	21,530	1,115	22,645
Foreign currency translation differences of equity-accounted investees	–	–	(6,005)	–	–	–	–	(6,005)	–	(6,005)
Effective portion of changes in fair value of cash flow hedge, net	–	–	–	(74,687)	–	–	–	(74,687)	–	(74,687)
Net losses on hedge of net investment in foreign operation	–	–	(2,732)	–	–	–	–	(2,732)	–	(2,732)
Net fair value loss on equity instruments designated at fair value through other comprehensive income ("FVOCI")	–	–	–	–	–	(13,636)	–	(13,636)	–	(13,636)
Defined benefit plan remeasurements	–	–	–	–	–	–	272	272	–	272
Tax on defined benefit plan remeasurements	–	–	–	–	–	–	(70)	(70)	–	(70)
Total comprehensive income for the year	–	28,185	12,793	(74,687)	–	(13,636)	202	(47,143)	14,525	(32,618)
Issuance of ordinary shares	1,785,942	–	–	–	–	–	(50,000)	1,735,942	–	1,735,942
Issue of share capital to non-controlling interest	–	–	–	–	–	–	–	–	1,488	1,488
Transfer of TK interests (Note 17)	–	(65,050)	(383,014)	–	40,244	–	–	(407,820)	132,346	(275,474)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(23,473)	(23,473)
Total transactions with owner	1,785,942	(65,050)	(383,014)	–	40,244	–	(50,000)	1,328,122	110,361	1,438,483
Transfer upon remeasurement of equity investments (Note 32)	–	(17,950)	–	–	–	17,950	–	–	–	–
Reclassification of cash flow hedge arising from hedge accounting (Note 22)	–	(107,897)	107,897	–	–	–	–	–	–	–
At 31 December 2023	3,502,661	(155,823)	(413,161)	(166,165)	40,244	4,314	344	2,812,414	207,121	3,019,535

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Consolidated Statement of Changes in Equity (cont'd)
For the year ended 31 December 2023

		Attributable to owner of the Company							
Group	**Note**	**Equity contribution** US$'000	**Accumulated profits** US$'000	**Translation reserve** US$'000	**Cash flow hedge reserve** US$'000	**Other reserves** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total equity** US$'000
At 1 January 2022		1,716,719	51,134	(44,907)	–	49,989	1,772,935	78,289	1,851,224
Loss for the year		–	(44,245)	–	–	–	(44,245)	7,958	(36,287)
Other comprehensive income									
Foreign currency translation differences		–	–	(85,690)	–	–	(85,690)	(1,362)	(87,052)
Foreign currency translation differences of equity-accounted investees	18	–	–	(20,240)	–	–	(20,240)	–	(20,240)
Defined benefit plan remeasurements		–	–	–	–	171	171	–	171
Tax on defined benefit plan remeasurements		–	–	–	–	(18)	(18)	–	(18)
Effective portion of changes in fair value of cash flow hedge, net	22, 32	–	–	–	(91,478)	–	(91,478)	–	(91,478)
Total comprehensive income for the year		–	(44,245)	(105,930)	(91,478)	153	(241,500)	6,596	(234,904)
Transactions with owner, recognised directly in equity									
Contributions by and distributions to owner									
Issue of share capital to non-controlling interest		–	–	–	–	–	–	288	288
Dividends paid to non-controlling interests	35	–	–	–	–	–	–	(2,938)	(2,938)
Total contributions by and distributions to owner		–	–	–	–	–	–	(2,650)	(2,650)
At 31 December 2022		1,716,719	6,889	(150,837)	(91,478)	50,142	1,531,435	82,235	1,613,670

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Statement of Changes in Equity
For the year ended 31 December 2023

Company	**Note**	**Equity contribution** US$'000	**Other reserves** US$'000	**Accumulated profits** US$'000	**Total** US$'000
At 1 January 2023		1,716,719	50,000	52,295	1,819,014
Total comprehensive income for the year					
Profit for the year		–	–	39,263	39,263
Transactions with owner, recognised directly in equity					
Issuance of ordinary shares	26	1,785,942	(50,000)	–	1,735,942
At 31 December 2023		3,502,661	–	91,558	3,594,219
At 1 January 2022		1,716,719	50,000	37,943	1,804,662
Total comprehensive income for the year					
Profit for the year		–	–	14,352	14,352
At 31 December 2022		1,716,719	50,000	52,295	1,819,014

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000
Cash flows from operating activities			
Profit/(Loss) before tax		57,706	(38,867)
Adjustments for:			
Depreciation expense	14, 15	72,729	41,872
Amortisation expense	16	47,667	26,923
Finance income	9	(22,879)	(18,278)
Finance costs	9	88,434	82,274
Change in fair value of financial instruments at FVTPL	10	(53,852)	(40,025)
Unrealised foreign exchange loss		1,325	51,934
Reversal of impairment loss on property, plant and equipment	14	–	(286)
Gain on disposal of property, plant and equipment		513	83
Impairment losses recognised on financial assets	31	3,341	2,346
Bad debts written off		–	565
Write-off of project costs	(a)	4,666	2,808
Other payables written back		(531)	(1,185)
Share of results of equity-accounted investees, net of tax	18	(226)	4,129
		198,893	114,293
Changes in:			
- Trade and other receivables		59,122	(13,791)
- Prepayments and other assets		(21,377)	(8,898)
- Trade and other payables		1,104	59,201
Cash generated from operating activities		237,742	150,805
Tax paid		(8,571)	(7,748)
Net cash generated from operating activities		229,171	143,057
Cash flows from investing activities			
Cash inflow on transfer of TK interests, net	17	158,309	–
Purchase of property, plant and equipment	(b)	(332,649)	(207,154)
Contribution to equity-accounted investees	18	(32,791)	(45,656)
Acquisition of interest in equity-accounted investees	18	–	(4,916)
Proceeds from sale of property, plant and equipment		49	458
Purchase of equity investments	32	(313)	(2,316)
Settlement of derivatives		(2,384)	3,813
Disbursement of loan to related parties		(260,287)	(293,930)
Proceeds from repayment of loan receivables from related parties		254,575	315,209
Disbursement of loan to equity-accounted investees		(4,885)	(10,712)
Proceeds from repayment of loan receivables from equity-accounted investees		2,296	4,533
Distributions from equity-accounted investees	18	32,197	5,237
Interest received		9,826	6,954
Net cash used in from investing activities		(176,057)	(228,480)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Consolidated Statement of Cash Flows (cont'd)
For the year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000
Cash flows from financing activities			
Proceed from issuance of shares to non-controlling interest		1,488	288
Proceeds from drawdown of loans and borrowings:			
- Revolving credit facilities		420,240	301,574
- Project finance debts		337,762	144,496
- Working capital loans		–	10,067
- Intercompany loans		155,039	263,524
- External loans		2,293	–
Repayment of loans and borrowings:			
- Revolving credit facilities		(425,708)	(285,997)
- Project finance debts		(142,040)	(73,920)
- Working capital loans		(6,022)	(17,611)
- Intercompany loans		(106,717)	(129,232)
Payment of transaction costs:			
- Revolving credit facilities		(2,979)	(1,851)
- Project finance debts		(4,448)	(4,967)
- Euro Medium Term Note		–	(88)
Principal repayment of lease liabilities		(11,889)	(4,868)
Interest paid on:			
- Revolving credit facilities		(1,068)	(757)
- Project finance debts		(64,695)	(53,732)
- Working capital loans		(193)	(1,844)
- Euro Medium Term Note		(15,665)	(15,656)
- Lease liabilities		(1,881)	(1,270)
- Loan from a related party		(2,085)	(1,304)
Net interest received for derivatives		10,126	6,418
Dividends paid to non-controlling interests	35	(23,473)	(2,938)
Deposits pledged	25	(16,967)	(6,095)
Net cash generated from financing activities		101,118	124,237
Increase in cash and cash equivalents		154,232	38,814
Cash and cash equivalents at 1 January		197,124	168,726
Effect of exchange rate fluctuations on cash and cash equivalents		5,746	(10,416)
Cash and cash equivalents at 31 December	25	357,102	197,124

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

(a) In year 2023, write-off of project cost included US$4.4 million of property, plant and equipment written off and US$0.3 million write-off of trade and other receivables. In year 2022, write-off project costs included US$6.0 million write-off of trade and other receivables, prepayment and other assets, US$0.2 million and US$3.2 million write back of trade and other payables, respectively.

(b) During the financial year, the Group purchased property, plant and equipment amounting to US$312.9 million (2022: US$247.4 million), which included the provision for asset retirement obligation of US$4.2 million (2022: US$1.9 million). As at 31 December 2023, US$14.4 million (2022: US$38.4 million) remains payable.

Significant non-cash transactions of the Group and Company

During the year,

1) Part of the Tokumei Kumiai interest ("TK Interests") of certain special purpose vehicles ("GKs" or "TK Operators") were transferred to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of the Company for a total purchase consideration of US$1,693.7 million. The purchase consideration of such transfers were fulfilled by APAC via the issuance of promissory notes ("Promissory Note") to Zenith Japan Trust.

   Certain transactions in connection with the above were executed, including, without limitation, the following:

   - In June 2023, the shareholder of the Company subscribed to 0.1 million ordinary shares at an aggregate subscription amount of US$1,258.8 million.

   - In November 2023, the shareholder of the Company subscribed to 434.9 million ordinary shares at an aggregate subscription amount of US$434.9 million

   - The subscription amount of the aforesaid subscriptions was satisfied in kind by way of an assignment of the shareholder's rights and obligations under the Promissory Notes by the shareholder to the Company.

2) In July 2023, the Company utilised US$50.0 million from its capital reserve to issue new fully paid ordinary shares to its shareholder.

3) In September 2023, the Company entered into an offsetting arrangement with Zenith Japan Holdings Trust ("ZJHT") to partially offset the outstanding loans payable to ZJHT, totaling US$196.9 million, with its loans receivable from ZJHT amounting to US$154.7 million. The outstanding loans payable of US$42.2 million was resolved through certain transactions, including, without limitation, issuance of 42.2 million ordinary shares at US$1.00 per share by the Company to the shareholder.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Holdings Pte. Ltd. and its Subsidiaries
(Formerly known as Vena Energy Holdings Ltd and its Subsidiaries)

Statement of Cash Flows
For the year ended 31 December 2023

	Note	Company 2023 US$'000	Company 2022 US$'000
Cash flows from operating activities			
Profit before tax		39,424	14,352
Adjustments for:			
Dividend income		(27,454)	(6,586)
Finance income	9	(2,505)	(1,674)
Finance costs	9	10,619	7,941
Change in fair value of financial instruments at FVTPL		(891)	381
Unrealised foreign exchange gain		(31,724)	(13,419)
		(12,531)	995
Changes in:			
- Trade and other receivables		51	1,230
- Prepayment and other assets		(3,152)	(5)
- Trade and other payables		13,939	(7,405)
Net cash used in operating activities		(1,693)	(5,185)
Cash flows from investing activities			
Capital injection into subsidiaries	17	(145,025)	(333,288)
Distribution from subsidiaries:			
- Dividend received		27,454	6,586
- Return of capital	17	12,312	92,574
Disbursement of loan to related parties		(317,161)	(293,930)
Drawdown of loans to subsidiaries		–	(10,500)
Proceeds from repayment of loans receivables from related parties		289,501	312,474
Settlement of derivatives		(2,384)	3,813
Interest received		164	133
Net cash used in investing activities		(135,139)	(222,138)
Cash flows from financing activities			
Proceeds from drawdown of loan and borrowings:			
- Revolving credit facilities		420,240	301,574
- Loan from a related party		155,039	263,524
- Loan from subsidiaries		136,668	22,490
Repayment of loan and borrowings:			
- Revolving credit facilities		(425,708)	(285,997)
- Loan from a related party		(106,717)	(129,232)
- Loan from subsidiaries		(10,000)	(12,989)
Payment of transaction costs related to loans and borrowings		(2,979)	(1,851)
Interest paid on:			
- Revolving credit facilities		(1,068)	(757)
- Loan from a related party		(2,085)	(1,304)
- Loan from subsidiaries		(2,356)	(3,570)
Net cash generated from financing activities		161,034	151,888
Net increase/(decrease) in cash and cash equivalents		24,202	(75,435)
Cash and cash equivalents at 1 January		17,350	93,168
Effect of exchange rate fluctuations on cash and cash equivalents		4,048	(383)
Cash and cash equivalents at 31 December	25	45,600	17,350

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Domicile and activities

Vena Energy Holdings Pte. Ltd. (formerly known as Vena Energy Holdings Ltd) (the "Company") was incorporated in the Cayman Islands and had its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

On 4 September 2023, the Company redomiciled to Singapore as a private company limited by shares under the name Vena Energy Holdings Pte. Ltd. The registered office is located at 1 George Street, #14-07 One George Street, Singapore 049145.

The financial statements of the Group as at and for the year ended 31 December 2023 comprised the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activity of the Group is that of developer, owner and operator of renewable energy assets in Asia Pacific region.

The immediate holding company and ultimate controlling company of the Group as at 31 December 2023 are GIP Zenith Ltd and Global Infrastructure Investors III, LLC respectively, of which the former is incorporated in the Cayman Islands and the latter is incorporated in Delaware, U.S.A..

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS"). The changes in material accounting policies are described in Note 2.5. SFRS(I) are issued by the Accounting Standards council and compromise standards and interpretations that are equivalent to IFRS as issued by the International Accounting Standard Board. All references to SFRS(I) and IFRS are subsequently referred to as IFRS in these financial statements unless otherwise stated.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

2. Basis of preparation (cont'd)

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States dollars ("US$") which is the Company's functional currency and rounded to the nearest thousand, unless otherwise stated.

2.4 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Management applied critical judgement in assessing if Power Purchase Agreements ("PPAs") entered into by Group Entities falls within the scope of International Financial Reporting Interpretations Committee ("IFRIC") 12 *Service Concession Arrangements*, including:

- whether the counterparty of the PPA controls or regulates what services the Group entity must provide with the infrastructure, to whom it must provide them, and at what price; and

- whether the counterparty of the PPA controls — through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the PPA.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

Note 16 – impairment test of goodwill, intangible assets and property, plant and equipment: key assumptions underlying recoverable amounts, including the recoverability of development costs;

Note 31 – measurement of expected credit loss ("ECL") allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; and

Note 32 – fair value measurement of financial instruments held at fair value through profit or loss or through other comprehensive income.

2. Basis of preparation (cont'd)

2.4 Use of judgements and estimates (cont'd)

Measurement of fair values

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

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

Further information about the assumptions made in measuring fair values is included in Note 32.

2.5 Changes in accounting policies

New standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial statements of the Group.

2. Basis of preparation (cont'd)

2.6 Standards issued but not yet effective

The Group has not adopted the following amendments applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 *Statement of Cashflows* and IFRS 7 *Financial Instruments: Disclosures*: Supplier Finance Arrangement Disclosures	1 January 2024
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates:* Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Director expect that the adoption of the amendments above will have no material impact on the financial statements in the period of initial application.

2.7 Transfer of TK interests

During the financial year, part of the Tokumei Kumiai interest ("TK Interests") of certain special purpose vehicles ("GKs" or "TK Operators") were transferred to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of the Company.

The above transfers are accounted for by applying the "pooling-of-interest" method (see Note 3.1) as the parent of the TK Interests is defined under IFRS as a subsidiary of the shareholder of the Group.

3. Material accounting policy information

The accounting policies set out below have been consistently applied by the Group ("Group accounting policies").

3.1 Basis of consolidation

(I) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

In applying the acquisition method, the consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests ("NCI") that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by IFRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

3. Material accounting policy information (cont'd)

3.1 Basis of consolidation (cont'd)

(a) Business combinations (cont'd)

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

The Group recognises goodwill on a provisional basis if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. During the measurement period, such provisional amounts are retrospectively adjusted from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

<u>Acquisition accounted for by applying the "pooling-of-interest" method</u>

Business combinations arising from transfer of subsidiaries of an entity whose parent is the shareholder of the Group are accounted for by applying the "pooling-of-interest" method. This involves the following at the date of transfer:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values on the date of transfer or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the transfer.
- The components of equity of the acquired entities are added to the same components within the Group's equity and any gain or loss arising is recognised directly in equity.
- Any difference between the consideration transferred and the acquired net assets and equity reserves is reflected within the equity as merger reserve.
- The income statement and the statement of comprehensive income reflects the results of the combined entities from the date of transfer.

3. Material accounting policy information (cont'd)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

The Group accounts for indirectly held interests in subsidiaries through equity accounted investees by including such interests in the parent's share when determining the percentage of interest attributable to NCI.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Interest in associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Interests in equity-accounted investees are derecognised when the Group loses significant influence. If the retained interest in the former equity-accounted investee is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in the profit or loss.

3. Material accounting policy information (cont'd)

3.1 Basis of consolidation (cont'd)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries and associates in the separate financial statements

Investment in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Dividend income from investments in subsidiaries and equity accounted investees is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured. Dividend income is recognised in the profit or loss, unless the distribution represents a return of capital, in which case, it is recorded as a reduction of the cost of investment of the parent.

3.2 Foreign currency

(i) Foreign currency transactions

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

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

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on translation of a financial liability designated as a hedge of the net investment in foreign operation that is effective, an equity instrument at fair value through other comprehensive income, or qualifying cash flow hedges which are recognised in other comprehensive income.

3. Material accounting policy information (cont'd)

3.2 Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to US$ at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US$ at monthly average exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in OCI and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing items and restoring the site on which they are located; and
- capitalised borrowing costs.

3. Material accounting policy information (cont'd)

3.3 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvements	2 - 40 years
Electric generator equipment	3 - 30 years
Vehicles	3 - 8 years
Computers, fittings and fixture and office equipment	2 - 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

No depreciation is provided for freehold land and assets under construction.

3. Material accounting policy information (cont'd)

3.4 Intangible assets and goodwill

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to the cash-generating unit ("CGU") for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations; land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses.

(iii) Service concession intangible assets

Service concession intangible assets represent intangible asset arising from a service concession arrangement when it has a right to charge the grantor for the provision of electricity.

Service concession intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses.

(iv) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives are based on the useful life of the related wind or solar assets. The estimated useful lives for the current and comparative years are as follows:

- Project-related agreements and licences 10-30 years
- Service concession intangible assets 20-30 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

3. Material accounting policy information (cont'd)

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(ii) Classification and subsequent measurement

Non- derivative financial assets

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

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

Financial assets at amortised cost

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

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

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

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

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non- derivative financial assets (cont'd)

Equity investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non- derivative financial assets (cont'd)

Financial assets – Assessment whether contractual cashflows are solely payments of principal and interest

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

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

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non- derivative financial assets (cont'd)

Financial assets – Assessment whether contractual cashflows are solely payments of principal and interest (cont'd)

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognises in profit or loss. Directly attributable transaction costs are recognises in profit or loss as incurred.

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

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(iii) Derecognition

Financial assets

The Group recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset recognises) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognises in OCI is recognises in profit or loss.

Financial liabilities

The Group recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

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

(v) Derivative financial instruments and hedge accounting

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognises in profit or loss.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(v) Derivative financial instruments and hedge accounting (cont'd)

Net investment hedges

The Group designates certain derivatives as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of the changes in the fair value of the hedging instrument is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in wholesale electricity spot price.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognises in OCI and accumulated in the cash flow hedge reserve. The effective portion of changes in fair value of the derivative that is recognises in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of in fair value of the derivative is recognises immediately in the profit or loss.

Amounts previously recognised in OCI and accumulated in cash flow hedge reserve are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in cash flow hedge reserve at that time remains in cash flow hedge reserve and is recognised in profit or loss in the same period as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss.

3. Material accounting policy information (cont'd)

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

3.7 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognises as a deduction from equity, net of any tax effects.

Share premium

Share premium represents the excess amounts over the par value of each ordinary share issued and are classified as "equity contribution".

Share repurchase

When shares recognises as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognises as a deduction from equity. Repurchased shares are classified as ordinary shares and are presented under "equity contribution". When repurchased shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within "equity contribution".

3.8 Impairment

(a) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised costs; and
- contract assets.

Loss allowances of the Group are measured on either of the following bases:

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

3. Material accounting policy information (cont'd)

3.8 Impairment (cont'd)

(a) Non-derivative financial assets (cont'd)

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

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

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

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

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

The Group considers the counterparty to be in default if the counterparty is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

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

3. Material accounting policy information (cont'd)

3.8 Impairment (cont'd)

(a) Non-derivative financial assets (cont'd)

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(b) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

3. Material accounting policy information (cont'd)

3.8 Impairment (cont'd)

(b) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in equity accounted investee is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in equity accounted investee is tested for impairment as a single asset when there is objective evidence that the investment in equity accounted investee may be impaired.

3. Material accounting policy information (cont'd)

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Asset retirement obligation

Provisions for environmental restoration and restructuring are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.10 Revenue

Sale of energy

Revenue from sale of energy in the ordinary course of business is recognised in profit or loss when the Group satisfies a performance obligation ("PO") by transferring control of the electricity generated to the customer. The amount of revenue recognition is the amount of the transaction price allocated to the satisfied PO.

The transaction price is determined based on the applicable tariff rates. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised service. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Revenue from sale of energy is recognised in profit or loss when the electricity generated is dispatched to the customer over time.

Revenue is determined based on the units of sales delivered at the applicable tariff rates.

An element of significant financing component is deemed present for the Group's sale of electricity for contracts whereby the period between the satisfaction of PO and when the customer pays the transaction price exceeds one year. For these contracts, the Group adjusts the promised consideration for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at the contract inception, such that it reflects the credit characteristics of the party receiving the benefit of financing in the contract.

3. Material accounting policy information (cont'd)

3.10 Revenue (cont'd)

Service concession arrangements

Revenue related to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed. The stage of completion is assessed by referenced to the contract costs incurred till date in proportion to the total estimated contract costs of each contract. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

Fee income

Revenue from fee income is recognised over time when the customers simultaneously receive and consume the benefits.

Dividend income

Dividend income is recognised in profit or loss when the right to receive income is established. For unquoted equity securities, dividend income is recognised when the shareholder have approved the payment of a dividend.

3.11 Government grants

The Group recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

3.12 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus 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.

3. Material accounting policy information (cont'd)

3.12 Employee benefits (cont'd)

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Remeasurement are recognised in profit or loss in the period in which they arise.

3. Material accounting policy information (cont'd)

3.13 Operating costs

Operating costs include expenditure that are incurred by the Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

3.14 Shared services costs

Shared services costs include expenditure that are incurred by the Group's service entities in providing shared services and asset management services to renewable energy assets of the Group's affiliates.

3.15 Development costs

Development costs include expenditure that are incurred by the Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

3.16 Finance income and finance costs

Finance income comprised interest income. Finance costs comprised interest expense on borrowings and other finance costs.

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

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

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3. Material accounting policy information (cont'd)

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals for existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

3. Material accounting policy information (cont'd)

3.17 Tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.18 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in accordance with the Group accounting policies.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. Material accounting policy information (cont'd)

3.18 Leases (cont'd)

As a lessee (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment as follows:

Land and buildings	5 - 38 years
Office	1 - 30 years
Others	1 – 5 years

Right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property and are carried at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3. Material accounting policy information (cont'd)

3.18 Leases (cont'd)

As a lessee (cont'd)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, 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 right-of-use assets that do not meet the definition of investment property as separate line item and lease liabilities in 'loans and borrowings' in the statement of financial position.

Sale and leaseback transactions as a seller-lessee

A sale and leaseback transaction is one where the Group sells an asset and immediately leases that asset back from the buyer. For sale and leaseback transactions, the Group first determines whether the transfer is accounted for as a sale by assessing whether the control of the asset has transferred to the buyer.

Where the transfer is accounted for as a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Any gain or loss arising relates to the rights transferred to the buyer. If the fair value of the consideration for the sale of the asset does not equal to the fair value of the asset, or if the lease payments are not at market rates, the Group measures the sale proceeds at fair value by adjusting any below-market terms as a prepayment of lease payments and any above-market terms as additional financing provided by buyer-lessor to the seller-lessee.

Where the transfer is not accounted for as a sale, the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The financial liability is accounted for as a financial liability at amortised cost.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. Material accounting policy information (cont'd)

3.18 Leases (cont'd)

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

Sale and leaseback transactions as a buyer-lessor

A sale and leaseback transaction is one where the Group buys an asset and immediately leases that asset back to the seller.

For sale and leaseback transactions, the Group first determines whether the transfer is accounted for as a sale by assessing whether the control of the asset has been acquired by the Group.

Where the transfer is accounted for as a sale, the Group recognises the underlying asset at the fair value and determines at lease inception whether each lease is a finance lease or an operating lease. If the fair value of the consideration for the sale of the asset does not equal to the fair value of the asset, or if the lease payments are not at market rates, the Group recognises the underlying asset at fair value by adjusting any below-market terms as a prepayment of lease payments and any above-market terms as additional financing provided by buyer-lessor to the seller-lessee.

Where the transfer is not accounted for as a sale, the Group does not recognise the underlying asset and recognises a financial asset under IFRS 9 for the amount transferred to the seller. The financial asset is accounted for as a financial asset at amortised cost.

4. Revenue

The Group's and the Company's revenue comprises:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Sale of energy	282,829	175,056	–	–
Fee income:				
- Shared services fee income	15,149	20,380	–	–
- Operations & maintenance service fees income	9,245	10,789	–	–
- Asset management fee income	10,163	23,003	–	–
- Engineering, procurement and construction ("EPC") income	15,016	106,106	–	–
Dividend income	–	–	27,454	6,586
	332,402	335,334	27,454	6,586
Recognised:				
- Over time	332,402	335,334	–	–
- At a point in time	–	–	27,454	6,586
	332,402	335,334	27,454	6,586

Included in fee income are shared services fee income from related parties of US$15.1 million (2022: US$20.4 million), operations and maintenance service fees income from related parties of US$7.8 million (2022: US$8.5 million), asset management fee income from related parties of US$9.6 million (2022: US$22.1 million) and EPC income from related parties of US$15.0 million (2022: US$106.1 million).

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and major products.

	2023	**2022**
	US$'000	US$'000
Sale of energy		
- Thailand	42,612	42,122
- India	90,934	90,113
- Australia	21,026	16,310
- Indonesia	40,618	26,511
- Japan	87,639	–
	282,829	175,056
Fee income		
- Asset manager	49,573	160,278
	332,402	335,334

4. Revenue (cont'd)

Contract balances

Please refer to Note 24 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy which have not been billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Please refer to Note 30 for contract liabilities primarily relating to advance consideration received from customers for performance of service contracts.

5. Other income

The Group's other income comprises:

	Group	
	2023	**2022**
	US$'000	US$'000
Insurance claims	1,409	695
Government grants	6	428
Lease income	976	1,162
Liquidated damages	17,291	3,144
Pre-commercial operation revenue	129	3,206
Others	1,520	1,981
	21,331	10,616

6(a). Operating costs

	Group	
	2023	**2022**
	US$'000	US$'000
Operations and maintenance costs	31,609	27,855
Utilities and transmission costs	4,030	2,354
Asset related insurance	5,723	2,747
Professional fees	10,191	2,293
Rental – land and site office	234	254
Asset related tax and levies	4,965	361
Travel and entertainment expenses	197	190
Other general and administrative costs	1,508	1,573
	58,457	37,627

Staff costs of US$6.8 million (2022: US$5.8 million) is included within operations and maintenance costs.

6(b). Other cost of operations

	Group	
	2023	**2022**
	US$'000	US$'000
Liquidated damages	4,699	1,941
Others	–	178
	4,699	2,119

7. Shared services costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Shared services costs	–	–	9,188	–
Staff costs	69,897	58,301	–	–
Directors and Investment Committee members fee	406	552	–	–
Occupancy costs	1,366	1,324	–	–
Professional fees	11,286	7,801	2,951	194
IT expenses	3,749	2,925	–	–
Insurance	846	766	–	–
Travel and entertainment expenses	3,929	2,899	–	–
EPC costs	9,777	97,766	–	–
Other general and administrative costs	9,203	3,774	711	9
	110,459	176,108	12,850	203
Less: shared service costs capitalised	(20,579)	(7,016)	–	–
	89,880	169,092	12,850	203

In accordance with the agreement dated 20 December 2023 entered into by the Company with an indirect subsidiary, Vena Energy Pte. Ltd. (the "Service Agreement"), the Company shall, in consideration for the Services (as defined in the Service Agreements), pay to Vena Energy Pte. Ltd, fees being the amount of costs incurred by Vena Energy Pte. Ltd. in each Financial Year (as defined in the Services Agreement) in providing the Services to the Company, plus a 10% mark-up with effect from 1 September 2023.

8. Development costs

	Group	
	2023	**2022**
	US$'000	US$'000
Professional fees	1,091	1,031
Travel and entertainment expenses	70	130
Occupancy costs	12	45
Other general and administrative costs	440	1,335
	1,613	2,541

9. Finance income and finance costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Finance income				
Interest income from:				
- Loan to related parties	2,888	4,210	1,291	1,548
- Loan to subsidiaries	–	–	750	10
- Loan to other third parties	519	567	–	–
- Loan to equity-accounted investees	492	348	–	–
- Cross currency swaps	10,767	9,891	–	–
- Short term deposits	7,530	2,580	464	–
- Other finance income	683	682	–	116
Total finance income	22,879	18,278	2,505	1,674
Finance costs				
Interest expense on:				
- Project finance debts	(55,370)	(52,214)	–	–
- Term loan and revolving credit facilities	(1,068)	(757)	(1,068)	(757)
- Loan from subsidiaries	–	–	(125)	(17)
- Loan from a related party	(2,018)	(1,124)	(2,016)	(1,124)
- Loan from Euro Medium Term Note Issuer	–	–	(2,828)	(2,661)
- Euro Medium Term Note	(14,647)	(14,677)	–	–
- Interest rate swaps	(631)	(1,977)	–	–
- Lease liabilities	(1,881)	(1,270)	–	–
Other finance costs	(12,819)	(10,255)	(4,582)	(3,382)
Total finance costs	(88,434)	(82,274)	(10,619)	(7,941)

Included in other finance costs are deferred financing costs of US$2.9 million (2022: US$2.9 million) and unwinding of discount of asset retirement obligation of US$0.2 million (2022: US$0.3 million).

10. Change in fair value of financial instruments at FVTPL

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Gain/(loss) on change in fair value:				
- Equity investment	–	15,120	–	–
- Forward contract	891	(381)	891	(381)
- Interest rate swaps	5,520	20,436	–	–
- Cross currency swaps	37,207	42,233	–	–
Hedge ineffectiveness of electricity derivatives	5,819	(37,383)	–	–
Hedge ineffectiveness of cross-currency interest rate swaps	4,415	–	–	–
	53,852	40,025	891	(381)

11. Impairment loss recognised on financial assets, net

	Group	
	2023	2022
	US$'000	US$'000
Impairment loss recognised on trade receivables	(4,469)	(2,195)
Impairment loss reversed/(recognised) on other receivables	607	(108)
Impairment loss reversed on loan receivables	576	–
Impairment loss recognised on cash and bank balances	(55)	(43)
	(3,341)	(2,346)

12. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2023	2022
	US$'000	US$'000
Staff costs		
Wages and salaries	45,339	40,696
Ordinary bonus	13,548	9,007
Contributions to defined contribution plans	1,189	1,336
Employee insurance	3,301	2,943
Recruitment fee	1,316	1,416
Staff benefits, allowances and others	11,963	8,595
	76,656	63,993

13. Tax expense/(credit)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Current income tax				
Current year	5,649	5,862	–	–
Underprovision of income tax from prior year	466	78	152	–
Withholding tax	12,069	2,713	9	–
	18,184	8,653	161	–
Deferred tax				
Origination and reversal of temporary difference	(902)	(5,687)	–	–
Recognition of previously unrecognised tax losses	(1,171)	(5,546)	–	–
	(2,073)	(11,233)	–	–
Tax expense/(credit)	16,111	(2,580)	161	–
Tax recognised in OCI				
Defined benefit plan remeasurements	70	18	–	–

Reconciliation of effective tax rate

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Profit/(loss) before tax	57,706	(38,867)	39,424	14,352
Tax at the domestic rates applicable to profits in the countries where the Group operates	23,477	(6,199)	6,702	–
Effects of results of equity-accounted investees presented net of tax	(68)	(3,134)	–	–
Expenses non-deductible for tax purposes	18,742	19,588	3,914	–
Tax-exempt income/non-taxable income	(29,301)	(10,710)	(10,464)	–
Tax incentives	(10,872)	–	–	–
Recognition of previously unrecognised tax losses	(1,171)	(5,546)	–	–
Current-year losses for which no deferred tax asset is recognised	2,769	630	–	–
Withholding taxes	12,069	2,713	9	–
Underprovision of income tax from prior year	466	78	–	–
	16,111	(2,580)	161	–

The Company is subject to tax at 17% Singapore tax rate commencing 4 September 2023 after domiciliation to Singapore as a private company limited by shares. The effect of tax rates in foreign jurisdictions mainly results from differentiated tax rate where the Group's operations are primarily based.

Tax incentives refers to tax deductions allowed under the Group's Tokumei Kumiai arrangements.

14. Property, plant and equipment

	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computers, fittings and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Group							
Cost							
At 1 January 2022	49,813	20,911	818,024	374	5,535	115,062	1,009,719
Additions	12,015	212	912	62	1,198	233,041	247,440
Disposals	(124)	(14)	(438)	–	(14)	(35)	(625)
Reclassification	(146)	20	76,704	–	50	(76,628)	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	–	–	–	–	–	796	796
Effect of exchange rate changes	(6,288)	(1,395)	(70,990)	(47)	(241)	(24,759)	(103,720)
At 31 December 2022	55,270	19,734	824,212	389	6,528	247,477	1,153,610
Additions	5,043	129	9,985	6	1,584	296,183	312,930
Additions arising from transfer of TK interests (Note 17)	14,856	27	1,238,174	–	52	334,942	1,588,051
Disposals	–	(202)	(1,240)	(32)	(46)	–	(1,520)
Write-off*	–	–	–	–	–	(4,418)	(4,418)
Reclassification	(2,838)	20	211,847	–	–	(209,029)	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	–	–	–	–	–	4,136	4,136
Effect of exchange rate changes	(2,706)	789	23,623	(10)	92	2,794	24,582
At 31 December 2023	69,625	20,497	2,306,601	353	8,210	672,085	3,077,371

* Included US$4.4 million (2022:US$Nil) under "write-off of project costs" line item in Statement of Profit or Loss for the year ended 31 December 2023.

14. Property, plant and equipment (cont'd)

Group	**Land** US$'000	**Building and leasehold improvements** US$'000	**Electric generator equipment** US$'000	**Vehicles** US$'000	**Computers, fittings and fixture and office equipment** US$'000	**Assets under construction** US$'000	**Total** US$'000
Accumulated depreciation and impairment losses							
At 1 January 2022	–	4,274	108,245	191	3,724	–	116,434
Depreciation expenses	–	1,300	33,570	67	1,165	–	36,102
Disposals	–	(14)	(70)	–	–	–	(84)
Impairment loss reversed	–	–	(286)	–	–	–	(286)
Effect of exchange rate changes	–	(436)	(13,438)	(29)	(178)	–	(14,081)
At 31 December 2022	–	5,124	128,021	229	4,711	–	138,085
Depreciation expenses	–	1,220	61,902	58	1,067	–	64,247
Additions arising from transfer of TK interests (Note 17)	–	2	102,432	–	1	–	102,435
Disposals	–	(102)	(200)	(7)	(1)	–	(310)
Effect of exchange rate changes	–	38	3,276	(8)	2	–	3,308
At 31 December 2023	–	6,282	295,431	272	5,780	–	307,765
Carrying amounts							
At 31 December 2022	55,270	14,610	696,191	160	1,817	247,477	1,015,525
At 31 December 2023	69,625	14,215	2,011,170	81	2,430	672,085	2,769,606

14. Property, plant and equipment (cont'd)

As at reporting date, property, plant and equipment of the Group with carrying amounts of US$2,184.0 million (2022: US$902.7 million) were pledged as collateral to secure project finance debts.

The Group assessed the impairment of property, plant and equipment together with its related intangible assets as described in Note 16.

15. Right-of-use assets

Group	Land and buildings US$'000	Office lease US$'000	Others US$'000	Total US$'000
Cost				
At 1 January 2022	36,181	20,410	3,007	59,598
Additions	42,084	1,679	727	44,490
Lease modifications	(4,580)	(105)	(568)	(5,253)
Effect of exchange rate changes	(2,578)	(2,355)	(413)	(5,346)
At 31 December 2022	71,107	19,629	2,753	93,489
Additions	18,519	1,656	3,240	23,415
Additions arising from transfer of TK interests (Note 17)	239,943	206	–	240,149
Lease termination	(762)	(3,150)	(986)	(4,898)
Effect of exchange rate changes	(4,326)	1,526	(195)	(2,995)
At 31 December 2023	324,481	19,867	4,812	349,160

15. Right-of-use assets (cont'd)

Group	Land and buildings US$'000	Office lease US$'000	Others US$'000	Total US$'000
Accumulated depreciation				
At 1 January 2022	2,833	7,628	1,425	11,886
Depreciation expense	1,836	3,223	711	5,770
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	796	–	–	796
Lease modifications	(191)	(73)	(382)	(646)
Effect of exchange rate changes	(303)	(563)	(230)	(1,096)
At 31 December 2022	4,971	10,215	1,524	16,710
Depreciation expense	3,724	3,103	1,655	8,482
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	4,115	21	–	4,136
Additions arising from transfer of TK interests (Note 17)	25,537	26	–	25,563
Lease termination	(208)	(1,651)	(728)	(2,587)
Effect of exchange rate changes	(2,582)	212	(106)	(2,476)
At 31 December 2023	35,557	11,926	2,345	49,828
Carrying amounts				
At 31 December 2022	66,136	9,414	1,229	76,779
At 31 December 2023	288,924	7,941	2,467	299,332

In 2022, the Group entered into sale and leaseback transactions with related parties, in respect of several freehold land parcels in Japan to transfer ownership and associated obligations relating to the land parcels to its subsidiary. The freehold land parcels were bought at fair value and leased back over 20 to 35 years at market rentals. During the financial year 2022, the total consideration for the sale of the land parcels amounted to US$1.7 million.

16. Intangible assets

	Goodwill US$'000	Project-related agreements and licences US$'000	Service concession intangible assets US$'000	Total US$'000
Group				
Cost				
At 1 January 2022	490,773	458,723	173,679	1,123,175
Effect of exchange rate changes	(24,369)	(24,609)	–	(48,978)
At 31 December 2022	466,404	434,114	173,679	1,074,197
Additions arising from transfer of TK interests (Note 17)	200,938	964,406	–	1,165,344
Effect of exchange rate changes	2,948	13,074	–	16,022
At 31 December 2023	670,290	1,411,594	173,679	2,255,563
Accumulated depreciation and impairment losses				
At 1 January 2022	–	77,538	18,384	95,922
Amortisation expense	–	20,283	6,640	26,923
Effect of exchange rate changes	–	(5,134)	–	(5,134)
At 31 December 2022	–	92,687	25,024	117,711
Amortisation expense	–	41,027	6,640	47,667
Additions arising from transfer of TK interests (Note 17)	–	110,382	–	110,382
Effect of exchange rate changes	–	2,238	–	2,238
At 31 December 2023	–	246,334	31,664	277,998
Carrying amounts				
At 31 December 2022	466,404	341,427	148,655	956,486
At 31 December 2023	670,290	1,165,260	142,015	1,977,565

Amortisation of project related agreements and licenses and service concession intangible assets will begin on the commercial operation date of the renewable asset as defined in the respective power purchase agreements.

As at the respective reporting dates, all service concession intangible assets of the Group were pledged as collateral to secure project finance debts.

16. Intangible assets (cont'd)

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's groups of CGUs (operating divisions) as follows:

	Group	
	2023	**2022**
	US$'000	US$'000
Australia	111,424	109,255
India	24,094	24,244
Indonesia	36,741	36,721
Philippines	89,160	89,930
Thailand	6,298	6,277
Japan	204,148	–
Asset Manager	198,425	199,977
	670,290	466,404

Operations in Australia, India, Indonesia, Philippines, Thailand and Japan

The recoverable amount of these groups of CGUs was based on fair value less costs of disposal, estimated using discounted cash flows method. The fair value measurement is categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The discounted cash flows valuation is based on management's latest cash flow projection assuming up to 40 years (2022: 30 years) and no terminal value is assumed. The post-tax discount rates of 4.5% - 16.6% (2022: 4.1% - 13.7%) are estimated based on the cost of equity for the Group's operational assets and applying additional risk premium for under construction, contracted and development assets. .

As at 31 December 2023, for the discounted cash flows valuation, a rise in the post-tax discount rates to 0.3%, holding other inputs constant, would not result in impairment. As at 31 December 2022, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amount to be materially below the carrying amount of the group of CGUs.

Asset Manager

The Asset Manager CGU represents the Engineering, Procurement and Construction Management ("EPCM") and Operations and Maintenance ("O&M") capabilities of the Group. The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using the discounted cash flow method, similar to that applied by the respective countries that the Asset Manager serves. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

17. Investment in subsidiaries

	Company	
	2023	**2022**
	US$'000	US$'000
Equity investments, at cost	3,961,884	2,135,151

The table below provides a reconciliation of the movement in investment in subsidiaries:

	2023	**2022**
	US$'000	US$'000
Balance at beginning of year	2,135,151	1,894,437
Reduction of interest in subsidiaries	(12,312)	(92,574)
Capital injection into subsidiaries	1,839,045	333,288
Balance at end of year	3,961,884	2,135,151

The table below provides details of the significant subsidiaries of the Group:

Name of subsidiaries	**Sector**	**Project Name**	**Status**	**Principal place of business**	**Effective interest 2023 %**	**2022 %**
Tailem Bend Solar Operating Trust	Solar	Tailem Bend	Operating	Australia	100	100
WandoanBESS Project Trust	Battery	Wandoan South BESS	Operating	Australia	100	100
Tailem Bend 2 Project Trust	Solar	TB2	Operating	Australia	100	100
Wandoan Solar Project Trust	Solar	Wandoan 1	Operating	Australia	100	100
Vena Energy Shivalik Wind Power Private Limited	Wind	Amreli	Operating	India	100	100
Vena Energy MH Wind Power Private Limited	Wind	Jath	Operating	India	100	100
Vena Energy JMD Power Private Limited	Wind	JMD	Operating	India	100	100
Vena Energy Fatanpur Power Private Limited	Wind	FTP	Operating	India	100	100

17. Investment in subsidiaries (cont'd)

The table below provides details of the significant subsidiaries of the Group (cont'd):

Name of subsidiaries	Sector	Project Name	Status	Principal place of business	Effective interest 2023 %	Effective interest 2022 %
Vena Energy Patan Power Private Limited	Wind	PTN	Operating	India	100	100
Vena Energy Power Resources Private Limited	Wind	TGP1/2	Operating	India	100	100
Vena Energy KN Wind Power Private Limited	Wind	MNG	Operating	India	100	100
Vena Energy Solar India Power Resources Private Limited	Solar	TS	Operating	India	100	100
Vena Energy Solar Ravi India Power Resources Private Limited	Solar	KN	Operating	India	100	100
PT Energi Bayu Jeneponto	Wind	Tolo	Operating	Indonesia	100	100
PT Infrastruktur Terbarukan Adhiguna	Solar	Lombok	Operating	Indonesia	100	100
PT Infrastruktur Terbarukan Buana	Solar	Lombok 2	Operating	Indonesia	100	100
PT. Infrastruktur Terbarukan Cemerlang	Solar	Lombok 3	Operating	Indonesia	100	100
PT Infrastruktur Terbarukan Lestari	Solar	Minut	Operating	Indonesia	100	100
ESPP Co., Ltd.	Solar	ESPP	Operating	Thailand	70	70
Infinite Alpha Capital Co., Ltd	Solar	IAC	Operating	Thailand	70	70
Chiangmai Renewable Energy Co., Ltd.	Solar	CRE	Operating	Thailand	70	70
Golden Light Solar Co., Ltd.	Solar	GLS	Operating	Thailand	70	70

17. Investment in subsidiaries (cont'd)

The table below provides details of the significant subsidiaries of the Group (cont'd):

Name of subsidiaries	Sector	Project Name	Status	Principal place of business	Effective interest 2023 %	Effective interest 2022 %
Bueng Samphan Solar Co., Ltd.	Solar	BSS	Operating	Thailand	70	70
Northwest Solar Co., Ltd	Solar	NWS	Operating	Thailand	70	70
Nine A Solar Co., Ltd.	Solar	NAS	Operating	Thailand	70	70
Solartech Energy Co., Ltd	Solar	STE	Operating	Thailand	70	70
GK KC-01 Investment	Solar	Sotsukozawa	Operating	Japan	96**	1*
GK NRE Sannan	Solar	Sannan	Operating	Japan	96**	1*
GK NRE-05 Investment	Solar	Shichinohe 3,6,8	Operating	Japan	50**	2*
GK NRE-10 Investment	Solar	Kawakami	Operating	Japan	96**	1*
GK NRE-13 Investment	Solar	Enokibayashi	Operating	Japan	96**	1*
GK NRE-15 Investment	Solar	Noheji	Operating	Japan	96**	1*
GK NRE-16 Investment	Solar	Tokai	Operating	Japan	96**	1*
GK NRE-17 Investment	Solar	Mito1	Operating	Japan	96**	1*
GK NRE-19 Investment	Solar	Hitachi Omiya	Operating	Japan	50**	2*
GK NRE-20 Investment	Solar	Wakuya	Operating	Japan	96**	1*
GK NRE-21 Investment	Solar	Shichinohe 9	Operating	Japan	96**	1*
GK NRE-23 Investment	Solar	Kisarazu	Operating	Japan	96**	1*
GK NRE-24 Investment	Solar	Kawakami 2	Operating	Japan	96**	1*
GK NRE-29 Investment	Solar	Nanbucho 3	Operating	Japan	96**	1*
GK NRE-32 Investment	Solar	Kasama	Operating	Japan	96**	1*
GK NRE-36 Investment	Solar	Towada	Operating	Japan	96**	1*
GK NRE-37 Investment	Solar	Aomori 2	Operating	Japan	96**	1*
GK NRE-39 Investment	Solar	Ono	Operating	Japan	96**	1*
GK NRE-42 Investment	Solar	Hitachi Omiya 2	Operating	Japan	96**	1*
GK NRE-44 Investment	Solar	Nihonmatsu 2	Operating	Japan	96**	1*
KP Energy GK	Solar	Yaita 2	Operating	Japan	96**	1*

17. Investment in subsidiaries (cont'd)

The table below provides details of the significant subsidiaries of the Group (cont'd):

Name of subsidiaries	Sector	Project Name	Status	Principal place of business	Effective interest 2023 %	2022* %
SEJ III GK	Solar	Nagasaki	Operating	Japan	96**	1*
Amakusa Wind GK	Wind	Reihoku 2	Operating	Japan	96**	1*
Nakasato Wind GK	Wind	Nakadomari	Operating	Japan	96**	1*
GK NWE-02 Investment	Wind	Reihoku 1	Operating	Japan	96**	1*
GK NRE-41 Investment	Solar	Bandai	Operating	Japan	96**	1*
GK NRE-25 Investment	Solar	Nanbucho 2	Operating	Japan	96**	1*
GK NWE-02 Investment (fka Reihoku Wind GK)	Wind	Reihoku	Operating	Japan	96**	1*
GK NRE-06 Investment	Solar	Sotsukozawa	Operating	Japan	37**	1*
GK NRE-04 Investment	Solar	Shichinohe 1, 5 & 7	Operating	Japan	37**	1*
GK NRE-18 Investment	Solar	Yaita	Operating	Japan	37**	1*

* In year 2022, these entities were treated as other investments – equity investments measured at FVTPL.

** During the year, 95% of TK interest were transferred to APAC. The relationship between APAC and the TK Operators is governed by the TK Agreements. APAC, as the investor, will provide funds to the TK Operator in return for the right to receive a distribution of profit generated from the operation of the GK. Under the TK Agreement, the net income of the TK business, comprising principally the income generated from solar and wind assets, will be passed up to APAC. APAC is entitled up to 96% of the profits and losses of such business. APAC is, therefore, entitled to receive substantially all of the economic interest from the TK Operator. APAC has assessed the economic reality of the Group and its investment activities through the TK Operators and concluded that the TK Operators meet the definition of subsidiaries of the Group (as defined by IFRS).

The transfer was accounted for by applying the pooling-of-interest method. Accordingly, the Group had accounted for the transfer prospectively from the date on which it occurred.

17. Investment in subsidiaries (cont'd)

Transfer of TK interests

<u>Identifiable assets acquired and liabilities assumed</u>

The following table summarises the carrying amounts of recognised amounts of assets acquired and liabilities assumed at the date of transfer:

	On date of transfer US$'000
Assets	
Property, plant and equipment	1,485,616
Right-of-use assets	214,586
Intangible assets	1,054,962
Equity-accounted investees	46,775
Derivative assets	3,304
Trade and other receivables	73,578
Prepayment and other assets	9,438
Cash and cash equivalents	219,701
	3,107,960
Liabilities	
Loans and borrowings	(1,336,863)
Lease liabilities	(216,758)
Derivative liabilities	(6,356)
Asset retirement obligation	(59,973)
Current tax liabilities	(1)
Trade and other payables	(51,774)
	(1,671,725)
Total identifiable net assets at carrying value	1,436,235
Less: Non-controlling interest at carrying value	(132,346)
Total identifiable net assets at carrying value attributable to owner of the Company	1,303,889

17. Investment in subsidiaries (cont'd)

Transfer of TK interests (cont'd)

Identifiable assets acquired and liabilities assumed (cont'd)

	On date of transfer US$'000
Purchase consideration [1]	1,693,759
Add: Remeasurement of previously held interest in the equity investments (Note 32)	17,950
Less: Total identifiable net assets at carrying value attributable to owner of the Company	(1,303,889)
	407,820
Presented as:	
Accumulated losses	(65,050)
Translation reserve	(383,014)
Merger reserve	40,244
Equity attributable to owner of the Company	(407,820)
Non-controlling interests	132,346
	(275,474)
Cash and cash equivalents of TK interests acquired, representing net cash inflows on transfer of TK interests	219,701
Less: Restricted bank balances and deposits	(61,392)
Cash inflow on transfer of TK interest, net of deposits pledged	158,309

[1] The payment by APAC was in the form of promissory notes to Zenith Japan Trust.

18. Equity-accounted investees

	Group	
	2023	**2022**
	US$'000	US$'000
Interests in joint ventures	48,159	–
Interests in associates	381,886	388,454
	430,045	388,454

During the year, interests in joint ventures, representing 67% of TK interest, were transferred to APAC as disclosed in Note 17. The transfer was accounted for by applying the pooling-of-interest method. Accordingly, the Group had accounted for the transfer prospectively from the date on which it occurred.

The following summarises the financial information of the Group's joint ventures based on the financial statements prepared in accordance with IFRSs:

Interests in joint ventures

2023	**Nanao Mega Solar GK ("Nanao")**	**KK Kyudenko Fukuosan Solar ("KK Fukuosan")**
	US$'000	US$'000
Statement of financial position		
Non-current assets		
Property, plant and equipment	98,056	89,104
Right-of-use assets	10,499	35,728
Intangible assets	1,122	24,734
Prepayments and other assets	10,803	223
Derivative assets	3,668	3,127
	124,148	152,916
Current assets		
Prepayments and other assets	–	30
Trade and other receivables	502	1,220
Cash and bank balances	13,995	14,209
	14,497	15,459
Total assets	138,645	168,375

18. Equity-accounted investees (cont'd)

Interests in joint ventures (cont'd)

The following summarises the financial information of the Group's joint ventures based on the financial statements prepared in accordance with IFRSs:

2023	**Nanao Mega Solar GK ("Nanao")** US$'000	**KK Kyudenko Fukuosan Solar ("KK Fukuosan")** US$'000
Statement of financial position		
Non-current liabilities		
Loans and borrowings	91,709	81,490
Lease liabilities	4,191	38,904
Asset retirement obligation	4,078	4,933
	99,978	125,327
Current liabilities		
Loans and borrowings	–	5,721
Lease liabilities	198	2,544
Trade and other payables	1,616	1,750
Current tax liabilities	185	–
	1,999	10,015
Total liabilities	101,977	135,342
Net assets	36,668	33,033

18. Equity-accounted investees (cont'd)

Interests in joint ventures (cont'd)

The following summarises the financial information of the Group's joint ventures based on the financial statements prepared in accordance with IFRSs:

For the period 1 November 2023 to 31 December 2023	Nanao US$'000	KK Fukuosan US$'000
Statement of comprehensive income		
Revenue	1,151	1,931
Other income	2	–
Total revenue	1,153	1,931
Operating costs	(382)	(426)
Shared services costs	(224)	(202)
Depreciation expense	(672)	(1,232)
Amortisation expense	(108)	(246)
Results from operating activities	(233)	(175)
Finance costs	(1,211)	(703)
Change in fair value of financial instruments at FVTPL	614	(176)
Loss before tax	(830)	(1,054)
Tax expense	(16)	–
Loss for the year, representing total comprehensive income for the year	(846)	(1,054)

	Nanao US$'000	KK Fukuosan US$'000	Total US$'000
2023			
Carrying amount of interests in joint ventures at 1 January 2023	–	–	–
Acquisition arising from transfer of TK interests (Note 17)	24,797	21,978	46,775
Group's contribution during the year	–	232	232
Share of results of joint ventures	(567)	(705)	(1,272)
Foreign currency translation differences	1,274	1,150	2,424
Carrying amount of interests in joint ventures at 31 December 2023	25,504	22,655	48,159

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The Group has 6 (2022: 5) material associates and 11 (2022: 12) immaterial associates which are equity accounted. The following are the material associates:

Associate entity name	**Hangin Ng Amihan Holdings, Inc. and its subsidiaries ("HANGIN")**	**Vena Energy Wind Phil. Holdings Inc ("VEWPHI")**	**Helios Solar Energy Holdings Inc. and its subsidiaries ("HSEHI")**	**First Soleq Holdings Philippines Inc. ("FSHPI")**	**One Bukidnon Project Holdings Inc. ("OBPHI")**	**Nuevo Solar Energy Corp. ("NSEC")**
Nature of Associate	Investment holding entity for Alternergy Wind One Corp. ("Project Pililia")	Investment holding entity for Alternergy Wind One Corp. ("Project Pililia")	Investment holding entity for Helios Solar Energy Corp. ("Project Pollo")	Investment holding entity for First Solar Energy Corp. ("Project Ironman")	Investment holding entity for Asian Greenenergy Corp. ("Project Zorro")	Operating entity for solar plant ("Project Garcia 2")
Sector	54.0 MW wind	54.0 MW wind	132.5 MW solar	30.4 MW solar	10.5 MW solar	83.3 MW solar
Principal place of business/country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Direct economic interest held in associate by the Group	99.69%	100%	99.56%	99.31%	99.75%	–
Effective economic interest held on the underlying project	54.86%	39.97%	99.65%	99.45%	99.80%	49.94%*
Direct Voting rights held in the associate by the Group	36.21%	23.05%	37.73%	31.43%	35.40%	19.89%

HANGIN held 55.2% (2022: 55.2%) and VEWPHI held 39.8% (2022: 39.8%) direct voting rights in Project Pililia. Through investment in HANGIN and VEWPHI, the Group's aggregate economic interest in Project Pililia (54.0 MW Wind) is 94.8% (2022: 94.9%).

* The Group held 99.9% (2022: 99.9%) of effective economic interest in Pasuquin Energy Holdings Inc. ("PEHI") and PEHI held 50.0% (2022: 50.0%) of direct economic interest in NSEC. The Group's aggregate economic interest in NSEC is 49.9% (2022: 49.9%).

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The following summarises the financial information of the Group's associates based on the financial statements prepared in accordance with IFRS:

2023	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000	**Garcia 2 NSEC** US$'000
Statement of financial position						
Non-current assets						
Property, plant and equipment	67,267	–	105,825	23,805	9,191	59,845
Intangible assets	640	–	–	–	–	–
Equity-accounted investees	–	12,646	–	–	–	–
Other receivables	2,537	56	571	3,479	177	205
Right-of-use assets	540	–	5,563	570	105	97
Prepayments and other assets	32	–	78	–	–	–
	71,016	12,702	112,037	27,854	9,473	60,147
Current assets						
Trade and other receivables	18,132	–	20,149	5,576	3,148	4,066
Prepayments and other assets	551	–	674	181	52	335
Cash and bank balances	8,658	881	11,203	897	750	4,399
	27,341	881	32,026	6,654	3,950	8,800
Total assets	98,357	13,583	144,063	34,508	13,423	68,947

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2023	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia 2 NSEC US$'000
Statement of financial position (cont'd)						
Non-current liabilities						
Loans and borrowings	56,699	–	88,459	15,769	6,231	39,337
Employee benefits	34	–	55	9	–	–
Asset retirement obligation	2,659	–	936	263	63	106
Deferred tax liabilities	42	–	36	26	13	216
	59,434	–	89,486	16,067	6,307	39,659
Current liabilities						
Loans and borrowings	2,868	–	5,607	1,928	452	2,050
Trade and other payables	5,084	46	2,187	1,611	1,885	4,992
Current tax liabilities	183	–	785	–	33	356
	8,135	46	8,579	3,539	2,370	7,398
Total liabilities	67,569	46	98,065	19,606	8,677	47,057
Net assets	30,788	13,537	45,998	14,902	4,746	21,890

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The following summarises the financial information of the Group's associates based on the financial statements prepared in accordance with IFRS:

2023	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000	**Garcia 2 NSEC** US$'000
Statement of comprehensive income						
Sale of energy, representing total revenue	20,760	–	31,314	6,867	2,642	9,854
Operating costs	(5,179)	(18)	(4,531)	(1,226)	(719)	(2,146)
Shared services costs charged by a subsidiary	(1,092)	–	(1,165)	(250)	(100)	(339)
Depreciation expense	(4,091)	–	(6,624)	(1,663)	(614)	(2,402)
Results from operating activities	10,398	(18)	18,994	3,728	1,209	4,967
Finance income	762	3	929	190	82	172
Finance costs	(6,682)	–	(7,263)	(1,095)	(412)	(3,021)
Net foreign exchange (loss)/gain	(2)	–	(3)	7	(2)	22
Net finance costs	(5,922)	3	(6,337)	(898)	(332)	(2,827)
Share of results of associate	–	1,572	–	–	–	–
Profit before tax	4,476	1,557	12,657	2,830	877	2,140
Income tax expense	(552)	–	(1,299)	(311)	(70)	(833)
Profit for the year, representing total comprehensive income for the year	3,924	1,557	11,358	2,519	807	1,307

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The following summarises the financial information of the Group's associates based on the financial statements prepared in accordance with IFRS:

2022	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000
Statement of financial position					
Property, plant and equipment	71,748	–	113,299	25,441	9,863
Intangible assets	646	–	–	–	–
Equity-accounted investees	–	17,600	–	–	–
Other non-current receivables	2,313	56	264	3,432	149
Right-of-use assets	558	–	5,652	596	122
Prepayment and other assets	32	–	79	–	–
Non-current assets	75,297	17,656	119,294	29,469	10,134
Trade and other receivables	15,988	–	17,291	4,950	2,853
Prepayment and other assets	120	–	530	12	36
Cash and bank balances	17,984	36	13,562	910	787
Current assets	34,092	36	31,383	5,872	3,676
Total assets	109,389	17,692	150,677	35,341	13,810
Loans and borrowings	57,212	–	94,130	17,670	6,741
Employee benefits	35	–	58	–	–
Asset retirement obligation	2,414	–	822	216	66
Deferred tax liabilities	96	–	231	26	15
Non-current liabilities	59,757	–	95,241	17,912	6,822
Loans and borrowings	3,701	–	3,419	753	469
Trade and other payables	3,357	2	1,701	1,195	1,756
Current tax liabilities	8	–	–	26	–
Current liabilities	7,066	2	5,120	1,974	2,225
Total liabilities	66,823	2	100,361	19,886	9,047
Net assets	42,566	17,690	50,316	15,455	4,763

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The following summarises the financial information of the Group's associates based on the financial statements prepared in accordance with IFRS:

2022	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000
Statement of comprehensive income					
Sale of energy, representing total revenue	16,846	–	23,652	6,668	2,555
Operating costs	(4,274)	(3)	(4,522)	(1,189)	(657)
Shared services costs charged by a subsidiary	(1,090)	–	(817)	(208)	(91)
Depreciation expenses	(4,164)	–	(6,719)	(1,718)	(630)
Results from operating activities	7,318	(3)	11,594	3,553	1,177
Finance income	467	–	499	142	46
Finance costs	(3,727)	–	(7,548)	(1,122)	(484)
Net foreign exchange (loss)/gain	(6)	1	56	128	2
Net finance costs	(3,266)	1	(6,993)	(852)	(436)
Share of results of associate	–	1,599	–	–	–
Profit before tax	4,052	1,597	4,601	2,701	741
Income tax (expenses)/credit	(57)	–	191	(224)	2
Profit for the year, representing total comprehensive income for the year	3,995	1,597	4,792	2,477	743

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2023	**Pililia HANGIN** US$'000	**Pililia VEWPHI** US$'000	**Pollo HSEHI** US$'000	**Ironman FSHPI** US$'000	**Zorro OBPHI** US$'000	**Garcia 2 NSEC** US$'000	**Immaterial associates** US$'000	**Total associates** US$'000
Carrying amount of interest in associates at beginning of year	53,532	39,021	189,128	33,121	10,118	10,851	52,684	388,455
Group's share of amortisation of intangible asset acquired through business combinations	(2,461)	(1,793)	(7,683)	(1,369)	(289)	–	–	(13,595)
Group's share of results from continuing operations, net of tax	2,203	1,557	11,289	2,393	797	655	(3,801)	15,093
Effect of exchange rate changes from project-related agreements and licenses	(327)	(238)	(1,107)	(147)	(33)	(96)	409	(1,539)
Foreign currency translation differences	(3,478)	(2,534)	(417)	(156)	(42)	(23)	(240)	(6,890)
Group's share of total comprehensive income	(4,063)	(3,008)	2,082	721	433	536	(3,632)	(6,931)
Group's contribution during the year	–	–	–	–	–	–	32,559	32,559
Distribution during the year	(7,752)	(5,574)	(15,133)	(3,130)	(608)	–	–	(32,197)
Carrying amount of interest in associates at end of the year[1]	41,717	30,439	176,077	30,712	9,943	11,387	81,611	381,886

[1] Included in the carrying amount of interests in associates at end of year is project related agreements and licenses amounting to US$163.7 million.

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

2022	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Immaterial associates US$'000	Total associates US$'000
Carrying amount of interests in associates at start of the year	58,452	42,604	202,178	38,354	11,206	14,694	367,488
Group's share of amortisation of intangible asset acquired through business combinations	(2,576)	(1,874)	(8,036)	(1,395)	(294)	–	(14,175)
Group's share of results from continuing operations	2,198	1,596	4,786	2,474	744	(1,752)	10,046
Effect of exchange rate changes from project-related agreements and licences	(3,230)	(2,350)	(11,053)	(1,795)	(405)	–	(18,833)
Foreign currency translation differences	(1,312)	(955)	2,687	(1,621)	(458)	252	(1,407)
Group's share of total comprehensive income	(4,920)	(3,583)	(11,616)	(2,337)	(413)	(1,500)	(24,369)
Group's acquisition during the year[1]	–	–	–	–	–	4,916	4,916
Group's contribution during the year	–	–	–	–	–	45,656	45,656
Distribution during the year	–	–	(1,434)	(2,896)	(675)	(232)	(5,237)
Carrying amount of interests in associates at end of the year[2]	53,532	39,021	189,128	33,121	10,118	63,534	388,454

[1] In January 2022, the Group entered into a sale and purchase agreement to acquire 100% of Taean Wind Power Co., Ltd. ("Taean") in stages. The total purchase consideration ranges from KRW50 billion to KRW140 billion and is contingent on the final tariff rate granted in the power purchase agreement and construction cost stated in the EPC contract that have yet to be finalised. As at 31 December 2022, the Group had acquired 45% of Taean for KRW 4.3 billion (US$3.5 million) and paid an advanced partial consideration of KRW 1.8 billion (US$1.4 million) in respect of the acquisition of second tranche of 45% share in Taean in accordance with the terms of the sale and purchase agreement. The Transaction had yet to be completed as at year end and based on the Group's provisional assessment, the consideration paid was classified as an investment in associate.

[2] Included in carrying amount of interests in associates at end of year is project related agreements and licenses amounting to US$179.2 million.

19. Other investments

	Group	
	2023	**2022**
	US$'000	US$'000
Equity investments – mandatorily at FVTPL	–	39,007
Equity investments – designated at FVOCI	7,778	–

Equity investments comprise the Group's interests in Tokumei Kumiai investments in renewable energy assets in Japan.

Arising from the transfer of TK interests as disclosed in Note 17, the Group reviewed its business strategy of the equity investments and deemed that these investments are not held-for-trading but for long-term investments. Accordingly, the equity investments previously measured at FVTPL had been reclassified to equity investments at FVOCI at the beginning of the reporting period.

20. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Group				
Property, plant and equipment	–	–	(51,626)	(48,244)
Intangible assets	–	–	(4,801)	(3,275)
Derivatives	–	–	(2,338)	(2,486)
Loans and borrowings	–	105	–	–
Lease liabilities	92	–	–	–
Employee benefits	3,388	1,986	–	–
Provisions	359	86	–	–
Other items	1,901	1,964	–	–
Tax loss carry-forwards	58,707	53,405	–	–
Deferred tax assets/(liabilities)	64,447	57,546	(58,765)	(54,005)
Set off of deferred tax	(46,388)	(42,710)	46,388	42,710
Net deferred tax assets/(liabilities)	18,059	14,836	(12,377)	(11,295)

Unrecognised deferred tax liabilities

The subsidiaries of the Group were subject to a tax holiday period in certain jurisdictions from for a period of 10 years. Deferred tax liability in respect of timing differences that originate before or during the tax holiday period and are expected to reverse during such tax holiday period have not been recognised.

20. Deferred tax (cont'd)

Unrecognised deferred tax assets

Deferred tax assets on tax losses of US$212.3 million (2022: US$158.0 million) have not been recognised in respect of tax losses which are expected to expire or be utilised during such tax holiday period because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom during such period.

Movement in deferred tax balances

Group	Balance as at 1 January	Recognised in profit or loss (Note 13)	Recognised in OCI (Note 13)	Effect of exchange rate changes	Balance as at 31 December
	US$'000	US$'000	US$'000	US$'000	US$'000
2023					
Property, plant and equipment	(48,244)	(3,919)	–	537	(51,626)
Intangible assets	(3,275)	(997)	–	(529)	(4,801)
Derivatives	(2,486)	133	–	15	(2,338)
Loans and borrowings	105	(98)	–	(7)	–
Lease liabilities	–	92	–	–	92
Employee benefits	1,986	1,045	(70)	427	3,388
Provisions	86	238	–	35	359
Other items	1,964	348	–	(411)	1,901
Tax loss carry-forwards	53,405	5,231	–	71	58,707
	3,541	2,073	(70)	138	5,682
2022					
Property, plant and equipment	(36,759)	(15,090)	–	3,605	(48,244)
Intangible assets	(2,484)	(791)	–	–	(3,275)
Derivatives	–	(2,541)	–	55	(2,486)
Loans and borrowings	(72)	169	–	8	105
Employee benefits	1,847	377	(18)	(220)	1,986
Provisions	97	43	–	(54)	86
Other items	910	854	–	200	1,964
Tax loss carry-forwards	28,968	28,212	–	(3,775)	53,405
	(7,493)	11,233	(18)	(181)	3,541

21. Loans receivables

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Non-current					
Loans receivables from:					
- Related parties		121,977	303,184	100,507	85,400
- Equity-accounted investees		12,701	10,639	–	–
- Other third parties		3,008	3,057	–	–
Bond receivables from a subsidiary of related party		–	264	–	–
Promissory note receivables		7,843	7,571	–	–
		145,529	324,715	100,507	85,400
Less: Impairment loss	31	(929)	(1,430)	–	–
Total non-current loans receivables		144,600	323,285	100,507	85,400
Current					
Loans receivables from:					
- Related parties		4,670	–	–	–
- Subsidiaries		–	–	28,812	10,500
Interest receivables from:					
- Related parties		3,581	3,181	3,478	2,358
- Subsidiaries		–	–	682	9
- Equity-accounted investees		690	261	–	–
- Other loans receivables		–	14	–	–
- Promissory note receivables		638	543	–	–
- Cross currency swaps		5,097	5,060	–	–
- Other third parties		2,305	1,267	–	–
		16,981	10,326	32,972	12,867
Less: Impairment loss	31	(7)	(82)	–	–
Total current loans receivables		16,974	10,244	32,972	12,867

21. Loans receivables (cont'd)

The below table show the notional amount of the outstanding loans receivables not including transaction costs.

Gross loans receivables

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Non-current					
Loans receivables from:					
- Related parties		122,772	304,662	100,507	85,400
- Equity-accounted investees		12,701	10,639	–	–
- Other third parties		3,008	3,057	–	–
Other loans receivables			264	–	–
Promissory note receivables		7,843	7,571	–	–
		146,324	326,193	100,507	85,400
Current					
Loan receivables from:					
- Subsidiaries		–	–	28,812	10,500
- Related parties		4,670	–	–	–
		4,670	–	28,812	10,500
Total loans receivables		150,994	326,193	129,319	95,900

21. Loans receivables (cont'd)

Terms and conditions of loan receivables are as follows:

	Currency	Maturity date	Principal amount 2023	Principal amount 2022	Interest rate 2023	Interest rate 2022
Group			$'000	$'000	%	%
Related parties [(a)]	JPY	On demand	100,507	85,400	1.4	1.4
Related parties [(b)]	JPY	2025	22,265	212,152	0.6 – 2.7	0.6 – 2.7
Subsidiaries of related parties [(c)]	JPY	2033	–	425	–	0.8
Subsidiaries of related parties [(a)]	JPY	On demand	–	6,685	–	0.6
Subsidiaries of related parties[(g)]	USD	2024	4,670	–	1.2	–
Equity-accounted investees of related parties[(a)]	JPY	2035	–	249	–	1.0
Equity-accounted investees [(d)]	KRW	2027-2028	12,701	10,390	3.5 – 5.0	3.5 – 3.7
Other third parties [(a)]	KRW	On demand	33	34	4.6	4.6
Other third parties [(a)]	JPY	On demand	645	693	0.8	0.8
Other third parties [(a)]	USD	On demand	1,880	1,880	4.6	4.6
Other third parties [(a)]	USD	On demand	450	450	5.5	5.5
Promissory notes receivable [(e)]	THB	2027	7,843	7,571	–	–
Other loans receivables [(a)]	JPY	On demand	–	264	–	1.0
			150,994	326,193		
Company						
Related parties [(a)]	JPY	On demand	100,507	85,400	1.4	1.4
Subsidiaries [(f)]	USD	2024	28,812	10,500	1 – 7.2	1.0 & 2.2
			129,319	95,900		

21. Loans receivables (cont'd)

(a) The Group and the Company do not intend to demand these unsecured loans for repayment in the next 12 months.

(b) Loan receivables from related parties to Euro Medium Term Note Issuer are unsecured and repayable biannually.

(c) Repayable within 20 years in equal and consecutive instalments of 33.3% with the first payment due 17 years from the date of origination and the same amount on the same day every year thereafter, or earlier at the demand of the Group.

(d) Loan receivables from equity-accounted investees are unsecured and repayable from year 2027 to 2028.

(e) Promissory notes receivables are zero coupon, non-transferable and redeemable, with maturity date on 3 August 2027. At redemption date, the Group is entitled to receive a redemption amount equal to 1.0% of the principal amount plus accrued redemption fee of 1.0% per annum.

(f) Loan receivables from subsidiaries are unsecured and repayable in 2024.

(g) Loan receivables from subsidiaries of related parties are unsecured and repayable in 2024.

22. Derivative assets and liabilities

		Group		Company	
		2023	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
Derivative assets					
Non-current					
Electricity derivatives	(a)	34,420	47,558	–	–
Cross currency swaps	(b)	100,053	61,194	–	–
Interest rate swaps		17,620	10,674	–	–
		152,093	119,426	–	–
Current					
Electricity derivatives	(a)	–	2,584	–	–
Forward exchange contract		–	1,579	–	1,579
Cross currency swaps	(b)	324	343	–	–
Interest rate swaps		2,132	2,115	–	–
		2,456	6,621	–	1,579
Total derivative assets		154,549	126,047	–	1,579

22. Derivative assets and liabilities (cont'd)

		Group		Company	
		2023	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
Derivative liabilities					
Non-current					
Electricity derivatives	(a)	(83,227)	(39,262)	–	–
Interest rate swaps		(4,168)	(183)	–	–
		(87,395)	(39,445)	–	–
Current					
Electricity derivatives	(a)	(10,690)	(1,843)	–	–
Forward exchange contract		(109)	(4,951)	(109)	(4,951)
Interest rate swaps		–	(74)	–	–
		(10,799)	(6,868)	(109)	(4,951)
Total derivative liabilities		(98,194)	(46,313)	(109)	(4,951)

(a) Electricity derivatives

Effective 1 January 2022, the Group has designated the electricity derivatives in their entirety as cash flow hedges to manage the Group's exposure to fluctuations in electricity prices.

Hedge accounting – Cash flow hedges

The Group documents at the inception of the hedge accounting relationship, the economic relationship between hedging instruments and hedged items, its risk management objective and strategy for undertaking hedging transactions. The Group also documents its assessment, both at hedge inception and prospectively on an ongoing basis, as to whether the derivatives designated in the hedge relationships have been, and will continue to be effective, in offsetting fair value changes arising from highly probable forecast electricity purchases. The Group established the hedge ratio of 1:1 by matching the electricity sales to the offtake agreements designated as hedging instruments.

The Group documents sources of hedge ineffectiveness and quantifies the impact of hedge ineffectiveness stemming from the hedge relationship.

22. Derivative assets and liabilities (cont'd)

(a) Electricity derivatives (cont'd)

Hedge accounting – Cash flow hedges (cont'd)

Hedge ineffectiveness may occur due to:

- changes in the credit risk on the hedging instrument not matched by a similar adjustment on the hedged item
- differences in critical terms between the hedging instrument and hedged item
- non-zero inception fair values of the hedging instrument as a result of a late designation

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and presented in the cash flow hedge reserve. The gain or loss relating to the ineffective portion of hedges is recognised immediately in profit or loss within the fair value through profit line on the statement of profit and loss. The realised gain or loss relating to the effective portion of electricity derivatives is recognised in profit or loss within revenue from the sales of electricity.

22. Derivative assets and liabilities (cont'd)

(a) Electricity derivatives (cont'd)

Hedge accounting – Cash flow Hedges (cont'd)

The amounts related to items designated as hedging instruments are as follows.

	2023				During the year ended 31 December 2023					
	Nominal amount US$'000	**Carrying amount – assets** US$'000	**Carrying amount – liabilities** US$'000	**Line item in the statement of financial position where the hedging instrument is included**	**Change in value used for calculating hedge in-effectiveness** US$'000	**Change in value of hedging instrument recognised in OCI** US$'000	**Hedge in-effectiveness recognised in profit or loss** US$'000	**Line item in profit or loss that includes hedge in-effectiveness**	**Amount reclassified from hedging reserve to profit or loss** US$'000	**Line item affected in profit or loss because of the re-classification**
Commodity price risk										
Electricity derivatives	250,194	34,420	–	Derivatives assets	(16,731)	(21,474)	4,743	Change in fair value of financial instruments at FVTPL	11,436	Sale of energy
Electricity derivatives	263,711	–	(93,917)	Derivative liabilities	(52,137)	(53,213)	1,076	Change in fair value of financial instruments at FVTPL	–	Not applicable

As of 31 December 2023, the hedge rates range from AUD40/Mwh to AUD133/Mwh with a maturity date in 2038 to 2041.

22. Derivative assets and liabilities (cont'd)

(a) Electricity derivatives (cont'd)

Hedge accounting – Cash flow Hedges (cont'd)

The amounts related to items designated as hedging instruments are as follows.

	2022				**During the year ended 31 December 2022**					
	Nominal amount US$'000	**Carrying amount – assets** US$'000	**Carrying amount – liabilities** US$'000	**Line item in the statement of financial position where the hedging instrument is included**	**Change in value used for calculating hedge in-effectiveness** US$'000	**Change in value of hedging instrument recognised in OCI** US$'000	**Hedge in-effectiveness recognised in profit or loss** US$'000	**Line item in profit or loss that includes hedge in-effectiveness**	**Amount reclassified from hedging reserve to profit or loss** US$'000	**Line item affected in profit or loss because of the re-classification**
Commodity price risk										
Electricity derivatives	245,339	50,142	–	Derivative assets	(87,756)	(53,116)	(34,640)	Change in fair value of financial instruments at FVTPL	3,341	Sale of energy
Electricity derivatives	270,079	–	(41,105)	Derivative liabilities	(41,105)	(38,362)	(2,743)	Change in fair value of financial instruments at FVTPL	–	Not applicable

As of 31 December 2022, the hedge rates range from AUD40/Mwh to AUD136/Mwh with a maturity date in 2038 to 2041.

22. Derivative assets and liabilities (cont'd)

(a) Electricity derivatives (cont'd)

Hedge accounting – Cash flow Hedges (cont'd)

The amounts relating to items designated as hedged items are as follows:

	2023 Change in value used for calculating hedge ineffectiveness US$'000	Cash flow hedge reserve US$'000
Sale of energy	74,687	(166,165)

	2022 Change in value used for calculating hedge ineffectiveness US$'000	Cash flow hedge reserve US$'000
Sale of energy	91,478	(91,478)

The cash flow hedge reserve represents the effective portion of gains or losses on remeasuring the fair value of hedging instruments that qualify for cash flow hedge accounting.

(b) Cross currency swaps

On 26 February 2022, the Group entered into cross currency swaps which matures in 2025 and with an aggregate notional amount of JPY20.2 billion, whereby the Group is required to make semi-annual interest payments calculated at fixed interest rate of 0.5% per annum.

In 2020, the Group entered into cross currency swaps which matures in 2025 and with an aggregate notional amount of JPY 36.0 billion, whereby the Group is required to make semi-annual interest payments calculated at fixed interest rates between 1.2% to 1.3%.

22. Derivative assets and liabilities (cont'd)

(b) Cross currency swaps (cont'd)

Net investment hedge

A foreign currency exposure arises from the Group's net investment in its Japan subsidiaries that has a JPY functional currency. The risk arises from the fluctuation in spot exchange rates between the JPY and the USD, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening JPY against the USD that will result in a reduction in the carrying amount of the Group's net investment in the Japan subsidiaries.

Part of the Group's net investment in its Japan subsidiaries is hedged by a derivative instrument which is the JPY/USD cross currency interest rate swaps, which mitigates the foreign currency risk arising from the subsidiaries' net assets. The derivative instrument is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the USD/JPY spot rate.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the notional amount of the cross currency interest rate swap that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

Arising from the transfer of TK interests as disclosed in Note 17, the Group has elected to apply hedge accounting by which these cross currency swaps are designated as hedging instruments. Accordingly, foreign exchange gains of US$107.9 million (2022: US$Nil) had been reclassified from accumulated profits to translation reserve and presented in the Statement of changes in equity for the year ended 31 December 2023.

22. Derivative assets and liabilities (cont'd)

(b) Cross currency swaps (cont'd)

Net investment hedge (cont'd)

The amounts related to items designated as hedging instruments are as follows:

	2023				During the year ended 31 December 2023					
	Notional amount US$'000	**Carrying amount – assets** US$'000	**Carrying amount – liabilities** US$'000	**Line item in the statement of financial position where the hedging instrument is included**	**Change in value used for calculating hedge in-effectiveness** US$'000	**Change in value of hedging instrument recognised in OCI** US$'000	**Hedge in-effectiveness recognised in profit or loss** US$'000	**Line item in profit or loss that includes hedge in-effectiveness**	**Amount reclassified from hedging reserve to profit or loss** US$'000	**Line item affected in profit or loss because of the re-classification**
Cross currency interest rate swaps	500,000	91,085	–	Derivative assets	1,683	(2,732)	4,415	Change in fair value of financial instruments at FVTPL	–	Not applicable

The amounts relating to items designated as hedged items are as follows:

	2023	
	Change in value used for calculating hedge effectiveness US$'000	**Foreign currency translation reserve** US$'000
JPY net investment	(2,732)	105,165

23. Prepayments and other assets

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Non-current				
Other prepayments	3,679	4,168	–	–
Other assets	26,026	16,405	–	–
	29,705	20,573	–	–
Current				
Other prepayments	19,541	10,012	3,157	5
Other assets	4,450	2,718	–	–
	23,991	12,730	3,157	5
Total prepayments and other assets	53,696	33,303	3,157	5

24. Trade and other receivables

		Group		Company	
	Note	**2023**	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
Non-current					
Other receivables	(d)	–	1,521	–	–
Other tax receivables	(e)	36,936	–	–	–
Total non-current other receivables		36,936	1,521	–	–
Current					
Trade receivables		29,324	63,380	–	–
Contract assets		35,558	18,127	–	–
Total trade receivables and contract assets		64,882	81,507	–	–

24. Trade and other receivables (cont'd)

		Group		Company	
	Note	**2023** US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
Amounts due from:					
- Subsidiaries	(a)	–	–	87	301
- Equity-accounted investees	(b)	2,292	17	–	–
- Related parties	(c)	5,323	57,735	250	87
- Other third parties		10,052	10,515	–	–
Deposits		7,884	27,521	–	–
Other tax receivables	(e)	27,286	6,809	–	–
Other receivables	(d)	–	10	–	–
Total current other receivables		52,837	102,607	337	388
Less: Impairment loss					
- Trade receivables and contract assets		(9,295)	(4,990)	–	–
- Other receivables		(115)	(291)	–	–
Total current trade and other receivables		108,309	178,833	337	388
Total trade and other receivables		145,245	180,354	337	388

Trade receivables are non-interest bearing and are generally on standard credit terms ranging from 30 to 90 days (2022: 30 to 90 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

(a) The amount due from subsidiaries is non-trade, unsecured and non-interest bearing and repayable on demand.

(b) The amount due from equity-accounted investees is non-trade, unsecured, non-interest bearing and repayable on demand.

(c) The amounts due from related parties are intercompany advances, asset management fees and operation and maintenance service charges charged to subsidiaries of Zenith Japan Holdings Trust ("ZJHT"), and shared service charges charged to subsidiaries of Vena Energy Taiwan Holdings Pte Ltd ("VETHPL").

(d) Other receivables were related to liquidated damages receivable from EPC contractors in Indonesia.

(e) Non-current other tax receivables relate to value-added tax receivables which will be refunded upon completion of construction of the projects while current other tax receivables relate to value-added tax receivables that are expected to be refunded within the next 12 months.

24. Trade and other receivables (cont'd)

Disaggregation of trade receivables

A summary of the Group's exposure to credit risk for trade receivables by geographic region is as follows:

	2023 US$'000	2022 US$'000
India	24,385	58,892
Indonesia	726	542
Thailand	3,580	3,872
Australia	633	–
Others	–	74
	29,324	63,380

25. Cash and bank balances

Restricted cash

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Non-current					
Restricted bank balances		51,275	31,360	–	–
Current					
Bank balances		389,110	191,682	45,600	17,350
Short term deposits		52,556	27,918	–	–
Fixed deposits	(b)	827	4,471	–	–
Less: Impairment loss		(106)	(47)	–	–
		442,387	224,024	45,600	17,350
Total cash and bank balances in the statement of financial position		493,662	255,384	45,600	17,350
Less: Restricted bank balances and deposits	(a)	(136,666)	(58,307)	–	–
Add: Impairment loss		106	47	–	–
Cash and cash equivalents in the statement of cash flows		357,102	197,124	45,600	17,350

25. Cash and bank balances (cont'd)

Restricted cash

(a) As at 31 December 2023, US$136.7 million (2022: US$58.3 million) of the Group's cash and bank balances were restricted. Out of this, US$84.3 million (2022: US$23.2 million) of the Group's cash and bank balances were held under Debt Service Reserve Accounts ("DSRA"), which represents a reserve account used for debt service of project finance debts.

(b) Fixed deposits are made for varying periods of between three to twelve months, depending on the immediate cash requirements of the Group, and earn interests at the respective fixed deposit rates.

As at reporting date, cash and bank balances of US$289.0 million (2022: US$72.8 million) were pledged as collateral to secure project finance debts.

26. Equity contribution

	Note	Group and Company 2023 US$'000	Group and Company 2022 US$'000
Equity contribution			
Share capital US$1.00 per share (2022: US$0.01 per share)		3,502,661	15,667
Share premium	(a),(c)	–	1,701,052
		3,502,661	1,716,719

	Note	Group and Company 2023 No. of shares ('000)	Group and Company 2022 No. of shares ('000)
Issued and fully paid			
At beginning of the year		1,566,734	1,566,734
Issuance of shares (par value of $0.01 per share)	(a)	126	–
		1,566,860	1,566,734
Consolidation of shares	(b)	(1,551,192)	–
		15,668	1,566,734
Conversion of shares	(c)	3,009,898	–
Issuance of shares ($1.00 per share)	(d)	477,095	–
At end of the year		3,502,661	1,566,734

26. Equity contribution (cont'd)

(a) In June 2023, the Company issued 125,884 number of ordinary shares each with a par value of US$0.01 to its shareholder and share premium of US$1,258.8 million were issued.

(b) In July 2023, the Company consolidated its 1,566,860,319 issued ordinary shares each with a par value of US$0.01 at a ratio of 100:1, effectively reducing the number of issued ordinary shares to 15,668,603 each with a par value of US$1.00.

(c) In July 2023, the Company issued 3,009,898,261 ordinary shares each with a par value of US$1.00 to its shareholder by utilising US$2,959.9 million from its share premium and US$50.0 million from its capital reserve.

(d) In September and November 2023, the Company issued 477,094,565 ordinary shares at US$1.00 each to its shareholder, totaling US$477.1 million.

Ordinary shares

On 4 September 2023, the Company redomiciled to Singapore as a private company limited by shares.

The holder of ordinary shares is entitled to receive dividend declared by the Company and is entitled to one vote per share at general meetings of the Company. Prior to the domiciliation from Cayman Islands to Singapore, the Company had fully reclassified the share premium to share capital through the issuance of new shares, as described above. Pursuant to the Act, there is no par value concept in Singapore and accordingly ordinary shares issued as at 31 December 2023 have no par value.

27. Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Capital reserve	–	50,000	–	50,000
Fair value reserve	4,314	–	–	–
Translation reserve	(413,161)	(150,837)	–	–
Defined benefit reserve	344	142	–	–
Cash flow hedge reserve	(166,165)	(91,478)	–	–
Merger reserve	40,244	–	–	–
	(534,424)	(192,173)	–	50,000

27. Reserves (cont'd)

Capital reserve

The capital reserve comprises equity injections by shareholder for which ordinary shares have yet to be issued.

In July 2023, the Company issued 50,000,000 ordinary shares each with a par value of US$1.00 by utilising its capital reserve of US$50.0 million.

Fair value reserve

The fair value reserve records the cumulative fair value changes of equity instruments measured at FVOCI.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Defined benefit reserve

The defined benefit reserve comprises actuarial gains and losses and the return on plan assets (excluding interest).

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

	Commodity price risk	
	31 December 2023 US$'000	**31 December 2022** US$'000
Beginning balance	(91,478)	–
Effective portion of changes in fair value of hedging instrument	(86,123)	(94,819)
Amount reclassified from hedging reserve to profit or loss	11,436	3,341
Ending balance	(166,165)	(91,478)

Merger reserve

Merger reserve represents the difference between the consideration transferred and the acquired net assets and equity reserves arising from the acquisitions accounted for by applying the "pooling-of-interest" method.

28. Loans and borrowings and lease liabilities

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Non-current					
Project finance debts	(d)	2,176,548	684,518	–	–
Revolving credit facilities		–	13,808	–	13,808
Loan from a related party		–	180,459	–	180,459
Euro Medium Term Note	(a)	499,857	499,435	–	–
Loan from Euro Medium Term Note Issuer	(b)	–	–	371,676	210,669
External party loan		2,333	–	–	–
		2,678,738	1,378,220	371,676	404,936
Lease liabilities		278,079	67,992	–	–
Current					
Project finance debts	(d)	204,424	135,677	–	–
External party loan		2,480	2,480	–	–
Loan from a related party	(c)	5,973	–	5,973	–
Working capital loan		–	6,015	–	–
Loan from subsidiaries		–	–	156,312	22,490
Interest payable					
- Project finance debts		505	533	–	–
- Loan from a related party		13	161	13	161
- Loan from subsidiaries		–	–	135	–
- Euro Medium Term Note		5,058	5,067	–	–
- Loan from Euro Medium Term Note Issuer		–	–	1,359	811
- Derivatives		2,071	1,728	–	–
- External party loan		69	–	–	–
		220,593	151,661	163,792	23,462
Lease liabilities		14,297	5,625	–	–
Total loans and borrowings and lease liabilities		3,191,707	1,603,498	535,468	428,398

28. Loans and borrowings and lease liabilities (cont'd)

(a) On 26 February 2020, a direct subsidiary, Vena Energy Capital Pte. Ltd. ("Euro Medium Term Note Issuer"), issued US$325,000,000 3.133% per annum notes due in 2025 listed on Singapore Exchange Securities Trading Limited ("SGX-ST") under a $1 billion Global Medium Term Note (the "Notes") Programme. The Notes bear interest at the rate of 3.133% per annum from and including 26 February 2020, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2020.

On 8 July 2021, the Euro Medium Term Note Issuer issued US$175,000,000 3.133% per annum notes due in 2025 listed on SGX-ST under the Notes Programme. The Notes were issued at a premium for a total consideration of US$178,638,250. The Notes are to be consolidated and form a single series with the US$325,000,000 3.133% per annum notes issued on 27 February 2020. The Notes bear interest at the rate of 3.133% per annum from and including 26 February 2021, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2021.

Proceeds from the Notes issuance were allocated to the Company, VETHPL and Zenith Japan Holdings Ltd ("ZJH") (as trustee of ZJHT) through intercompany loans.

The Company together with VETHPL and ZJH (as trustee for ZJHT) jointly and severally act as guarantors for Vena Energy Capital Pte. Ltd. for the Notes issuance. The due and punctual payment of all sums payable by Vena Energy Capital Pte. Ltd. from time to time in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the guarantors.

(b) The loan from Euro Medium Term Note issuer is payable on a semi-annual basis and will mature on 26 February 2025.

(c) The loan from a related party is unsecured and will mature in 2024.

(d) Project finance debts are entered with reputable financial institutions by respective Group entities and are repayable on a quarterly basis with maturity date from 2023 to 2044 (2022: 2023 to 2044). The interest rates on these borrowings consist of fixed rates and floating rates.

Project finance debts are secured over the assets of the Group.

28. Loans and borrowings and lease liabilities (cont'd)

The below table show the notional amount of outstanding loans and borrowings not including transaction costs.

Gross debt

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Non-current				
Project finance debts	2,207,479	694,155	–	–
Revolving credit facilities	–	15,111	–	15,111
Loan from a related party	–	180,459	–	180,459
Euro Medium Term Note	500,000	500,000	–	–
Loan from Euro Medium Term Note Issuer	–	–	372,842	212,122
External party loan	2,333	–	–	–
	2,709,812	1,389,725	372,842	407,692
Current				
Project finance debts	208,384	137,047	–	–
External party loan	2,480	2,480	–	–
Working capital loan	–	6,015	–	–
Loan from a related party	5,973	–	5,973	–
Loan from subsidiaries	–	–	156,312	22,490
	216,837	145,542	162,285	22,490
	2,926,649	1,535,267	535,127	430,182

28. Loans and borrowings and lease liabilities (cont'd)

Market and liquidity risk

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 31.

Terms and conditions of loans and borrowings are as follows:

Group	Currency	Year of maturity	Principal amount 2023 $'000	Principal amount 2022 $'000	Nominal interest rate 2023 %	Nominal interest rate 2022 %
Project finance debt	AUD	2044	99,032	102,040	BBSY+1.7	BBSY+1.7
Project finance debt	AUD	2025	49,135	56,457	BBSY+1.2	BBSY+1.2
Project finance debt	AUD	2027	116,938	117,452	BBSY+1.4 - 2.3	BBSY+1.4 - 2.3
Project finance debt	INR	2035	79,555	80,360	9.2	10.3-10.5
Project finance debt	INR	2033	15,216	15,590	8.9	8.9
Project finance debt	INR	2033	13,653	15,941	9.1	9.5
Project finance debt	INR	2028	7,484	9,135	11.0	10.0
Project finance debt	INR	2033	50,263	54,504	8.7	8.4
Project finance debt	INR	2037	45,940	49,656	9.3-10.2	9.3
Project finance debt	INR	2035	18,741	20,978	8.2	8.2
Project finance debt	INR	2033	64,328	66,433	8.6	8.6
Project finance debt	INR	2025	69,031	71,691	7.4-8.2	7.4
Project finance debt	INR	2027	109,808	1,843	3M T-bill+2.0	11.7
Project finance debt	THB	2027	23,001	43,386	4.2 & MLR-2.8	4.2 & MLR-2.8
Project finance debt	USD	2037	86,988	94,004	3.9 - 5.7	3.9 - 5.7
Project finance debt	USD	2037	15,231	16,562	3 - 5.7	3 - 5.7
Project finance debt	USD	2037	13,949	15,170	3 - 5.7	1.5 - 5.7
Project finance debt	JPY	2034-2042	1,191,368	–	3M TIBOR+0.4 to 0.8	–
Project finance debt	JPY	2038	40,553	–	6M TIBOR + 1.1	–
Project finance debt	JPY	2027	244,323	–	TONAR + 0.8	–
Project finance debt	JPY	2038	61,326	–	1.9	–

28. Loans and borrowings and lease liabilities (cont'd)

Market and liquidity risk (cont'd)

Group	Currency	Year of maturity	Principal amount 2023	Principal amount 2022	Nominal interest rate 2023	Nominal interest rate 2022
			$'000	$'000	%	%
External party loan	USD	2024	2,480	2,480	Interest free	Interest free
Revolving credit facilities	JPY	2024	–	15,111	–	Tonar+1.0
Working capital loan	INR	2023	–	6,015	–	13.0
Loan from a related party	JPY	2024	5,973	–	7.2	–
Loan from a related party	JPY	2024	–	180,459	–	1.4
Euro Medium Term Note	USD	2025	500,000	500,000	3.1	3.1
External party loan	KRW	2027-2028	2,333	–	5.9	–
			2,926,649	1,535,267		

28. Loans and borrowings and lease liabilities (cont'd)

Market and liquidity risk (cont'd)

Company	Currency	Year of maturity	Principal amount 2023	Principal amount 2022	Nominal interest rate 2023	Nominal interest rate 2022
			$'000	$'000	%	%
Revolving credit facilities	JPY	2024	–	15,111	–	Tonar +1.0
Loan from a related party	JPY	2024	–	180,459	–	1.4
Loan from a related party	JPY	2024	5,973	–	7.2	–
Loan from subsidiaries	USD	2024	12,490	22,490	1.0	1.0
Loan from subsidiaries	JPY	2024	143,822	–	1.0	–
Loan from Euro Medium Term Note Issuer	JPY	2025	372,842	212,122	0.6 & 2.7	0.6 & 2.7
			535,127	430,182		

The loans and borrowings contain debt covenants which are tested on a regular basis. A future breach of these covenants may require the Group to repay the loans and borrowings earlier than indicated in the table above. Except as disclosed below, the Group has not breached any debt covenants in the financial years ended 31 December 2023 and 31 December 2022 respectively.

As at 31 December 2022, a subsidiary of the Group did not meet the debt covenant which stipulated that annual debt service coverage ratio ("DSCR") shall not be less than 1.15 times at each assessment date. Due to the breach, the lender was contractually entitled to request for immediate repayment of the outstanding loan amount of US$80.4 million. Accordingly, the outstanding balance had been presented as a current liability as at 31 December 2022.

As at 31 December 2023, project finance debts amounting to US$2,415.9 million (2022: US$831.2 million) has been taken up by the subsidiaries of the Group where these debt obligations have no recourse to the Group.

28. Loans and borrowings and lease liabilities (cont'd)

Market and liquidity risk (cont'd)

Leverage ratio

Pursuant to the amendment and restatement agreement dated 21 May 2021 relating to the existing facilities agreement between VEHL, VETHPL, ZJHT (collectively, the "Combined Group") and Credit Agricole Corporate and Investment Bank acting as agent and issuing bank (the "RCF Facility Agreement"), the Combined Group has complied with all covenants relating to the Revolving Credit Facilities as at 31 December 2023.

Pledges for facility agreements

The Group has entered into several Facilities agreements with various financial institutions. Under these agreements, these financial institutions provide project financing debts of US$2,415.9 million (2022: US$831.2 million) to the Group on a combination of fixed and floating rates.

The obligations of the Group to the banks are collateralised by the pledges of all the shares of the project entities and liens on and security interests in substantially all of the project entities' assets, its rights under various agreements, all of the project entities' revenues and all insurance proceeds payable to the project entities and require the project entities to comply with various administrative requirements.

The Group's assets directly pledged in relation to the facilities agreements are as disclosed in Notes 14, 16 and 25 of the financial statements. The indirect pledge over the Group's consolidated net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	2023 US$'000	**2022** US$'000
Project entities' contribution to the net assets of the Group	660,575	179,637

Stand-by letter of credit

As at 31 December 2023, the Group has obtained stand-by letters of credit ("SBLC"):

- US$349.7 million (2022: US$143.5 million) which expires over the period from April 2024 to March 2025. The SBLC bears an interest of 0.9% to 1.0% (2022: 0.8% to 1.0%) per annum.
- US$1.8 million (2022: $1.9 million) with no maturity. The SBLC bears an interest of 0.8% (2022: 0.8%) per annum.

28. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

<u>Group</u>	Project finance debts US$'000	Working capital loans[1] US$'000	Loan from a related party US$'000	Interest payable US$'000	Euro Medium Term Note US$'000	Lease liabilities US$'000	Total US$'000
Balance at 1 January 2023	820,728	22,303	180,620	1,728	504,502	73,617	1,603,498
Changes from financing cash flows							
Proceeds	337,762	422,533	155,039	–	–	–	915,334
Repayment	(142,040)	(431,730)	(106,717)	–	–	(11,889)	(692,376)
Transaction costs	(4,448)	(2,979)	–	–	–	–	(7,427)
Interest paid	(64,695)	(1,261)	(2,085)	–	(15,665)	(1,881)	(85,587)
Interest paid for derivatives	–	–	–	(419)	–	–	(419)[2]
Total changes from financing cash flows	126,579	(13,437)	46,237	(419)	(15,665)	(13,770)	129,525
Effect of exchange rate changes	34,765	(9,032)	(26,000)	131	–	3,307	3,171
Other changes							
New leases	–	–	–	–	–	10,583	10,583
Addition arising from transfer of TK interest (Note 17)	1,336,863	–	–	–	–	216,758	1,553,621
Loans settlement[3]	–	–	(196,889)	–	–	–	(196,889)
Other finance costs	7,172	3,980	–	–	1,431	–	12,583
Interest expense	55,370	1,068	2,018	631	14,647	1,881	75,615
Total other changes	1,399,405	5,048	(194,871)	631	16,078	229,222	1,455,513
Balance at 31 December 2023	2,381,477	4,882	5,986	2,071	504,915	292,376	3,191,707

1 Working capital loans included revolving credit facilities, working capital loan and external party loan.

2 Statement of cash flows includes interest received from derivatives amounting to US$8.4 million.

3 In September 2023, the Company entered into an offsetting arrangement with ZJHT to partially offset the loans payable to ZJHT of US$196.9 million with its loans receivable from ZJHT of US$154.7 million. The outstanding loans payable of US$42.2 million were settled by the shareholder of the Company through issuance of share capital.

28. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Project finance debts US$'000	Working capital loans[1] US$'000	Loan from a related party US$'000	Interest payable US$'000	Euro Medium Term Note US$'000	Lease liabilities US$'000	Total US$'000
Group							
Balance at 1 January 2022	790,122	15,283	57,958	1,372	504,169	42,750	1,411,654
Changes from financing cash flows							
Proceeds	144,496	311,641	263,524	–	–	–	719,661
Repayment	(73,920)	(303,608)	(129,232)	–	–	(4,868)	(511,628)
Transaction costs	(4,967)	(1,851)	–	–	(88)	–	(6,906)
Interest paid	(53,732)	(2,601)	(1,304)	–	(15,656)	(1,270)	(74,563)
Interest paid for derivatives	–	–	–	(1,957)	–	–	(1,957)[2]
Total changes from financing cash flows	11,877	3,581	132,988	(1,957)	(15,744)	(6,138)	124,607
Effect of exchange rate changes	(39,364)	(29)	(11,450)	336	–	(4,148)	(54,655)
Other changes							
New leases	–	–	–	–	–	44,490	44,490
Lease modification	–	–	–	–	–	(4,607)	(4,607)
Other finance costs	5,879	2,711	–	–	1,400	–	9,990
Interest expense	52,214	757	1,124	1,977	14,677	1,270	72,019
Total other changes	58,093	3,468	1,124	1,977	16,077	41,153	121,892
Balance at 31 December 2022	820,728	22,303	180,620	1,728	504,502	73,617	1,603,498

1 Working capital loans included term loan, revolving credit facilities, working capital loan and external party loan.
2 Statement of cash flows includes interest received from derivatives amounting to US$10.0 million.

28. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Revolving credit facilities US$'000	**Loan from a related party** US$'000	**Loan from Euro Medium Term Note Issuer** US$'000	**Loan from subsidiaries** US$'000	**Total** US$'000
Company					
Balance at 1 January 2023	13,808	180,620	211,480	22,490	428,398
Changes from financing cash flows					
Proceeds	420,240	155,039	–	136,668	711,947
Repayment	(425,708)	(106,717)	–	(10,000)	(542,425)
Transaction costs	(2,979)	–	–	–	(2,979)
Interest paid	(1,068)	(2,085)	(2,309)	(47)	(5,509)
Total changes from financing cash flows	(9,515)	46,237	(2,309)	126,621	161,034
Effect of exchange rate changes	(9,272)	(26,000)	(7,551)	7,211	(35,612)
Other changes					
Loans settlement[1]	–	(196,889)	167,918	–	(28,971)
Other finance costs	3,911	–	671	–	4,582
Interest expense	1,068	2,018	2,826	125	6,037
Total other changes	4,979	(194,871)	171,415	125	(18,352)
Balance at 31 December 2023	–	5,986	373,035	156,447	535,468

[1] In September 2023, the Company entered into an offsetting arrangement with ZJHT to partially offset the loans payable to ZJHT of US$196.9 million with its loans receivable from ZJHT of US$154.7 million. The outstanding loans payable of US$42.2 million were settled by the shareholder of the Company through issuance of share capital.

28. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Revolving credit facilities US$'000	Loan from a related party US$'000	Loan from Euro Medium Term Note Issuer US$'000	Loan from subsidiaries US$'000	Total US$'000
<u>**Company**</u>					
Balance at 1 January 2022	(2,162)	57,958	246,286	–	302,082
Changes from financing cash flows					
Proceeds	301,574	263,524	–	22,490	587,588
Repayment	(285,997)	(129,232)	(12,989)	–	(428,218)
Transaction costs	(1,851)	–	–	–	(1,851)
Interest paid	(757)	(1,304)	(3,553)	(17)	(5,631)
Total changes from financing cash flows	12,969	132,988	(16,542)	22,473	151,888
Effect of exchange rate changes	(467)	(11,450)	(21,596)	–	(33,513)
Other changes					
Other finance costs	2,711	–	671	–	3,382
Interest expense	757	1,124	2,661	17	4,559
Total other changes	3,468	1,124	3,332	17	7,941
Balance at 31 December 2022	13,808	180,620	211,480	22,490	428,398

29. Asset retirement obligation

	Group	
	2023	**2022**
	US$'000	US$'000
At 1 January	10,831	9,427
Additions arising from transfer of TK interests (Note 17)	59,973	–
Provision made during the year	4,252	1,884
Interest expense from unwinding of discount	514	265
Effect of exchange rate changes	491	(745)
At 31 December	76,061	10,831

The Group has recorded asset retirement obligation primarily associated with the estimated cost to reinstate sites involved in power generation.

Due to the long- term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are available currently. The provision has been calculated using a discount rate of 0.7% - 4.4% (2022: 2.6% - 4.4%), which is the risk-free rate in the jurisdiction of the liability. The management expects cash outflows between 17 to 26 years after the commissioning of the power plants.

As at 31 December 2023, out of the carrying amount of US$76.1 million (2022: US$10.8 million), US$63.1 million (2022: US$Nil) is included in the carrying amount of asset retirement obligation ("ARO") which is primarily associated with the estimated cost to reinstate property involved in power generation in Japan.

The following table illustrates the asset retirement obligation for each of Japanese solar project entities have been recorded on respective balance sheets to meet the statutory requirement to accumulate the reserve in accordance with Article 6-2, Item 3(b) of the enforcement regulations for the Act on Special Measures Concerning Promotion of Utilizing Renewable Electric Energy.

The decommissioning reserve arrangement mandates that commercial solar power projects approved under the FIT program ensure the availability of funds required for the eventual dismantling of power generation facilities. This is achieved primarily through an external reserve although certain circumstances might allow an alternative approach such as internal reserve.

This requirement is applicable to capacity exceeding 10 kW. The initiation of this arrangement takes place a decade prior to the conclusion of the FIT period. The quantification of the reserve is determined by the multiplication of electricity sales with a predefined standard rate derived from the FIT price. Subsequently, this computed amount is subtracted from the monthly electricity sales revenue.

29. Asset retirement obligation (cont'd)

		Group	
Name of the Japanese Project Entities	**Commencement date**	**METI requirement** JPY'000	**Carrying amount** JPY$'000
2023			
GK KC-01 Investment	May-29	–	291,547
GK NRE Sannan	Sep-25	–	214,592
GK NRE-04 Investment	Nov-27	–	508,945
GK NRE-05 Investment	Mar-27	–	465,429
GK NRE-06 Investment	Aug-27	–	282,528
GK NRE-10 Investment	Jul-31	–	329,689
GK NRE-13 Investment	Dec-26	–	53,308
GK NRE-15 Investment	Oct-27	–	143,209
GK NRE-16 Investment	Apr-26	–	91,539
GK NRE-17 Investment	Sep-26	–	384,464
GK NRE-18 Investment	May-28	–	314,718
GK NRE-19 Investment	Jan-30	–	331,910
GK NRE-20 Investment	Oct-31	–	254,539
GK NRE-21 Investment	Nov-31	–	195,140
GK NRE-23 Investment	Apr-31	–	257,750
GK NRE-24 Investment	Dec-31	–	238,802
GK NRE-25 Investment	Aug-32	–	140,468
GK NRE-29 Investment	Aug-32	–	50,726
GK NRE-32 Investment	Sep-32	–	440,734
GK NRE-36 Investment	Oct-29	–	161,717
GK NRE-37 Investment	Jun-32	–	201,164
GK NRE-39 Investment	Apr -30	–	346,352
GK NRE-41 Investment	Oct-30	–	479,306
GK NRE-42 Investment	Jul-31	–	123,461
GK NRE-44 Investment	Apr-30	–	182,711
KP Energy GK	Sep-29	–	286,797
SEJ 111 GK	Jul-31	–	115,028
Amateras Solar G.K.	Dec-30	–	1,005,860
GK Energy Forest	Nov-35	–	197,428

30. Trade and other payables

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Non-current					
Accrued staff costs		2,574	–	–	–
Deferred income	(a)	8,100	9,141	–	–
		10,674	9,141	–	–
Current					
Amounts due to:					
- Subsidiaries	(b)	–	–	11,645	302
- Related parties	(c)	455	6,808	17	–
- Other third parties		9,989	5,541	–	–
Trade payables		20,991	27,218	–	–
Payables to EPC contractors		15,389	39,361	–	–
Other tax payable		17,520	7,453	2,847	75
Accrued operating expenses		32,973	13,004	–	–
Accrued staff costs		2,450	1,986	–	–
Deferred income	(d)	241	20,096	–	–
		100,008	121,467	14,509	377
Total trade and other payables		110,682	130,608	14,509	377

Trade payables are non-interest bearing and are generally settled on standard credit terms ranging from 30 to 90 days (2022: 30 to 90 days).

(a) Non-current deferred income is contract liabilities which mainly relates to advanced mobilisation payments received from subsidiaries of ZJHT of US$2.0 million (2022: US$5.0 million), amortised over the contractual period with regards to operations and maintenance agreements.

(b) The amounts due to subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.

(c) Amounts due to related parties include US$0.1 million (2022: US$1.8 million) of advances received from subsidiaries of ZJHT for asset management fees and operational and maintenance fees. It also includes US$39,000 (2022: US$2.0 million) payables to subsidiaries of ZJHT for purchase of land which was subsequently leased back to the same subsidiaries of ZJHT.

(d) Included in current deferred income is contract liabilities of US$Nil (2022: US$18.9 million) which relates to advances received from customers for services yet to be fulfilled, US$Nil (2022: US$0.4 million) which relates to government grants on project, amortised over PPA period of 25 years and US$0.1 million (2022: US$0.1 million) which relates to government grants on bond issuance, amortized over bond life of 5 years.

31. Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

The Director has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Director on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Combined Group's receivables from customers, loan receivables and other receivables.

The carrying amount of financial assets in the statements of financial position represents the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company does not hold any collateral in respect of its financial assets.

Impairment loss on financial assets included in the statement of profit or loss

Trade receivables and contract assets

The Group's customers comprise mainly government or quasi-government offtakers of electricity, and a small number of private offtakers. Exposure to credit risk is influenced mainly by the individual characteristics of the offtaker and/or the government entity supporting the offtaker.

Most of the Group's customers have been transacting with the respective Group Entities for over 1 year, and no impairment loss has been recognised against these customers.

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Impairment loss on financial assets included in the statement of profit or loss (cont'd)

Trade receivables and contract assets (cont'd)

Exposure to credit risk

The maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

	Group Carrying amount		Company Carrying amount	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
India	30,740	64,997	–	–
Japan	13,148	51	–	–
Indonesia	2,583	2,664	–	–
Thailand	6,839	7,739	–	–
Philippines	2,952	3,661	–	–
Australia	8,620	2,321	–	–
Others[1]	–	74	–	–
	64,882	81,507	–	–

[1] Others includes offshore entities in Singapore, Cayman Islands and Netherlands.

Impairment

A summary of the exposure to credit risk for trade receivables and contract assets is as follows:

	2023		2022	
	Not credit-impaired	**Credit-impaired**	**Not credit-impaired**	**Credit-impaired**
	US$'000	US$'000	US$'000	US$'000
Group				
India	9,539	21,201	24,870	40,127
Japan	13,148	–	51	–
Indonesia	2,583	–	2,664	–
Thailand	6,839	–	7,739	–
Philippines	2,952	–	3,661	–
Australia	8,620	–	2,321	–
Others[1]	–	–	74	–
Total gross carrying amount	43,681	21,201	41,380	40,127
Loss allowance	(142)	(9,153)	(141)	(4,849)
	43,539	12,048	41,239	35,278

[1] Others includes offshore entities in Singapore, Cayman Islands and Netherlands.

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Impairment loss on financial assets included in the statement of profit or loss (cont'd)

Trade receivables and contract assets (cont'd)

Impairment (cont'd)

At 31 December 2023, the carrying amount of the Group's top five customers amounted to US$38.3 million (2022: US$75.2 million), which accounts for 59.1% (2022: 92.3%) of the balance.

There is no concentration of customers' credit risk at the Company level.

Expected credit loss assessment for trade receivables and contract assets

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include 'Low', 'Medium' and 'High'.

Exposures within each credit risk grade are segmented by industry and an ECL rate is calculated for each segment.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December:

	Group				
Credit risk grade	**Loss rate** %	**Gross carrying amount** US$'000	**Impairment loss allowance** US$'000	**Credit-impaired**
2023				
Government or government-linked				
Low	0.0*	18,220	–	No
Financial Institution				
Low	0.6	130	–	No
Utilities industry				
Low	0.4	25,331	142	No
High	4.4	21,201	9,153	Yes
		64,882	9,295	

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for trade receivables and contract assets (cont'd)

		Group		
Credit risk grade	**Loss rate**	**Gross carrying amount**	**Impairment loss allowance**	**Credit-impaired**
	%	US$'000	US$'000	
2022				
Government or government-linked				
Low	0.0*	7,739	–	No
Financial Institution				
Low	0.6	77	–	No
Utilities industry				
Low	0.4	33,564	141	No
High	4.4	40,127	4,849	Yes
		81,507	4,990	

* ECL rate is insignificant and is shown as 0.0% due to rounding.

Movements in allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Group	**Company**
	US$'000	US$'000
At 1 January 2022	3,082	–
Net impairment loss allowance recognised	2,195	–
Effect of exchange rate changes	(287)	–
At 31 December 2022	4,990	–
At 1 January 2023	4,990	–
Net impairment loss allowance recognised	4,469	–
Effect of exchange rate changes	(164)	–
At 31 December 2023	9,295	–

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Other receivables

Other receivables comprise mainly balances due from affiliates of the Group to which the Group has provided short term liquidity for strategic purposes.

Most of the Group's counterparties have been transacting with the respective Group entities for over 1 year, and no impairment loss has been recognised against these counterparties.

Expected credit loss assessment for other receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and loss rate ranges from 0% to 2.5% (2022: 0% to 2.5%)

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date Is the carrying value of other receivables disclosed in Note 24. As of 31 December 2023 and 2022, there were no balances assessed to be credit-impaired. The Group does not require collateral in respect of other receivables.

Movements in allowance for impairment in respect of other receivables

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	Group US$'000	Company US$'000
At 1 January 2022	286	–
Net impairment loss allowance recognised	108	–
Effect of exchange rate changes	(103)	–
At 31 December 2022	291	–
At 1 January 2023	291	–
Additions arising from transfer of TK interests	471	–
Net impairment loss allowance reversed	(607)	–
Effect of exchange rate changes	(40)	–
At 31 December 2023	115	–

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Loans receivables

Loans receivables comprises mainly balances due from related parties, equity-accounted investees and other affiliates of the Group to which the Group has provided financing for long term strategic purposes.

Most of the Group's counterparties have been transacting with the respective Group Entities for over 1 year, and no impairment loss has been recognised against these counterparties.

Expected credit loss assessment for loans receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and loss rate of 0.4% (2022: 0.4%).

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date is the carrying value of loans receivables disclosed in Note 21. As of 31 December 2023 and 2022, there were no balances assessed to be credit-impaired. The Group does not require collateral in respect of loans receivables.

Movements in allowance for impairment in respect of loans receivables

The movement in the allowance for impairment in respect of loans receivables during the year was as follows:

	Group	**Company**
	US$'000	US$'000
At 1 January 2022, 31 December 2022 and 1 January 2023	1,512	–
Net impairment loss allowance reversed	(576)	–
At 31 December 2023	936	–

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Cash and bank balances

The Group and the Company held cash and bank balances and restricted cash amounting to US$493.7 million and US$136.7 million at 31 December 2023 (2022: US$255.3 million and US$58.3 million), representing the maximum credit exposure on these assets.

The cash and bank balances are held with bank and financial institution counterparties which are rated BBB- to AAA (2022: BB to AA-), based on S&P Global ratings and Baa3 to Aaa (2022: B3 to A1), based on Moody Corporation ratings.

Impairment on cash and bank balances has been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties and subject to immaterial loss.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk

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

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000	**More than 5 years** US$'000
Group					
31 December 2023					
Non-derivative financial liabilities					
Bank loans	(2,500,712)	(224,344)	(258,356)	(742,566)	(1,275,446)
Euro Medium Term Note	(523,660)	(15,827)	(507,833)	–	–
Loan from a related party	(6,416)	(6,416)	–	–	–
External party loan	(5,293)	(2,686)	(137)	(2,470)	–
Lease liabilities	(351,503)	(14,610)	(12,927)	(36,990)	(286,976)
Trade and other payables*	(82,247)	(82,247)	–	–	–
	(3,469,831)	(346,130)	(779,253)	(782,026)	(1,562,422)
Derivative financial instruments					
Interest rate swaps (net-settled)	(4,744)	(863)	–	(745)	(3,136)
Forward exchange contracts (gross-settled):					
- Outflow	(4,068)	(4,068)	–	–	–
- Inflow	3,959	3,959	–	–	–
Electricity derivatives (net-settled)	(74,657)	(11,004)	(18,446)	(27,614)	(17,593)
	(79,510)	(11,976)	(18,446)	(28,359)	(20,729)
	(3,549,341)	(358,106)	(797,699)	(810,385)	(1,583,151)

* Excludes non-financial liabilities

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000	**More than 5 years** US$'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Bank loans	(972,927)	(174,710)	(69,143)	(389,324)	(339,750)
Euro Medium Term Note	(539,163)	(15,665)	(15,665)	(507,833)	–
Loan from a related party	(185,584)	(2,643)	(182,941)	–	–
Lease liabilities	(106,024)	(6,652)	(6,882)	(12,257)	(80,233)
Trade and other payables*	(93,918)	(93,918)	–	–	–
	(1,897,616)	(293,588)	(274,631)	(909,414)	(419,983)
Derivative financial instruments					
Interest rate swaps (net-settled)	(1,911)	(1,728)	–	(183)	–
Forward exchange contracts (gross-settled):					
- Outflow	(40,664)	(40,664)	–	–	–
- Inflow	35,713	35,713	–	–	–
Electricity derivatives (net-settled)	35,028	756	(25,975)	9,373	50,874
	28,166	(5,293)	(25,975)	9,190	50,874
	(1,869,450)	(298,881)	(300,606)	(900,224)	(369,109)

* Excludes non-financial liabilities

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000
Company				
31 December 2023				
Non-derivative financial liabilities				
Loan from a related party	(6,416)	(6,416)	–	–
Loan from subsidiaries	(158,010)	(158,010)	–	–
Loan from Euro Medium Term Note Issuer	(377,412)	(3,917)	(373,495)	–
Trade and other payables*	(14,509)	(14,509)	–	–
	(556,347)	(182,852)	(373,495)	–
Derivative financial instruments				
Forward exchange contracts (gross-settled):				
- Outflow	(4,068)	(4,068)	–	–
- Inflow	3,959	3,959	–	–
	(109)	(109)	–	–
	(556,456)	(182,961)	(373,495)	–

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000
Company				
31 December 2022				
Non-derivative financial liabilities				
Revolving credit facilities	(15,111)	–	(15,111)	–
Loan from a related party	(185,584)	(2,643)	(182,941)	–
Loan from subsidiaries	(22,507)	(22,507)	–	–
Loan from Euro Medium Term Note Issuer	(218,323)	(2,451)	(2,451)	(213,421)
Trade and other payables*	(377)	(377)	–	–
	(441,902)	(27,978)	(200,503)	(213,421)
Derivative financial instruments				
Forward exchange contracts (gross-settled):				
- Outflow	(40,664)	(40,664)	–	–
- Inflow	35,713	35,713	–	–
	(4,951)	(4,951)	–	–
	(446,853)	(32,929)	(200,503)	(213,421)

* Excludes non-financial liabilities

Market risk

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

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

Currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Group entities.

The Group ensures that the net exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The Group enters into foreign currency forward contracts and cross currency swaps (as disclosed in Note 22) to manage its foreign currency cash flows.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	JPY	**AUD**	**KRW**
	US$'000	US$'000	US$'000
Group			
2023			
Cash and bank balances	23,942	88	–
Derivative assets	91,085	–	–
Loan receivables	126,986	–	13,391
Loans and borrowings	(7,194)	–	(2,333)
Trade and other payables	–	–	(80)
Net exposure	234,819	88	10,978
2022			
Cash and bank balances	2,629	4,722	–
Derivative assets	51,660	–	–
Loan receivables	300,673	–	10,644
Loans and borrowings	(197,076)	–	–
Net exposure	157,886	4,722	10,644

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

Currency risk (cont'd)

	JPY US$'000	AUD US$'000	KRW US$'000
Company			
2023			
Cash and bank balances	22,381	88	–
Loan receivables	103,985	–	–
Loans and borrowings	(523,997)	–	–
Trade and other payables	(13)	–	–
Net exposure	(397,644)	88	–
2022			
Cash and bank balances	2,304	4,722	–
Loan receivables	87,758	–	–
Loans and borrowings	(405,890)	–	–
Net exposure	(315,828)	4,722	–

Sensitivity analysis

A 5% strengthening of the dollar against the respective currencies at the reporting date would increase/(decrease) profit/(loss) before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit/(loss) before tax		Company Profit before tax	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
31 December 2023				
JPY (5% strengthening)	(11,741)	7,894	19,882	15,791
AUD (5% strengthening)	(4)	236	(4)	(236)
KRW (5% strengthening)	(549)	532	–	–

* Lesser than US$1,000

In the case of a 5% weakening of the dollar against the respect currencies, the effects are equal but with an opposite effect.

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

Interest rate risk

Interest rate risk refers to the risk faced by the Group as a result of fluctuations in interest rates. The Group manages some of its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group's main IBOR exposure at 31 December 2023 was indexed to Tokyo IBOR ("TIBOR") and Bank bill swap bid rate ("BBSY").

The Director monitors and manages the Group's transition to alternative rates. The Board evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial liabilities

JBA TIBOR Administration ("JBATA") announced that it would consult on its intention to retain the Japanese Yen TIBOR benchmark rate. After conducting a public consultation, JBATA has decided to continue to publish all tenors of the Japanese yen TIBOR going forward. The Group expects that Japanese Yen TIBOR will continue to exist as a benchmark rate for the foreseeable future. The total notional amounts of the Japanese Yen TIBOR indexed loans and borrowings as at 31 December 2023 are US$1,231.9 million (2022: Nil) (Note 28).

The Australian Securities and Investments Commission and the Reserve Bank of Australia have stated that BBSW remains a robust benchmark, and hence there are no current plans to discontinue its use. Since BBSY is directly derived from the BBSW benchmark, the robustness and continued use of the primary BBSW benchmark suggests that the BBSY benchmark is also likely to be maintained without any plans for discontinuation. The total notional amounts of the BBSY indexed loans and borrowings as at 31 December 2023 are US$265.1 million (2022: $275.9 million) (Note 28).

31. Financial instruments (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk

At the reporting date, the variable rate interest-bearing financial assets and liabilities that are subject to interest rate risk were as follows:

	Group Notional amount		**Company Notional amount**	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Fixed rate instruments				
Financial assets	150,994	326,193	129,319	95,900
Financial liabilities	(1,328,090)	(1,198,340)	(535,127)	(430,182)
Cross currency swaps	500,000	500,000	–	–

	Group Notional amount		**Company Notional amount**	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Variable rate instruments				
Financial liabilities	(1,874,158)	(334,446)	–	–
Interest rate swaps	1,764,350	319,335	–	–

Cash flow sensitivity analysis for variable rate instruments

At 31 December 2023, if USD interest rates had been 100 basis points lower/higher, the Group's losses before tax would have been US$1.1 million (2022: US$0.2 million) lower/higher.

This analysis arose mainly as a result of lower/higher interest expense on variable rate instruments and assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Fair value sensitivity analysis for fixed rate instruments

The Group accounts for fixed rate derivative assets and liabilities at fair value through profit or loss. A change of 100 basis points in interest rates would have increased or decreased equity by approximately US$0.02 million (2022: US$0.02 million) for the Group. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

31. Financial instruments (cont'd)

Capital management

The Group's objective in managing capital is to ensure a stable and strong capital base to maximise returns for its shareholder.

The Group defines capital as including all components of equity. The Group's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the Director's fiduciary duties towards the Group.

32. Fair value of financial instruments

Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Group measures instruments quoted in an active market at mid-price.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

32. Fair value of financial instruments (cont'd)

Fair value measurement (cont'd)

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

32. Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Additionally, it excludes fair value information for lease liabilities as it is not required. At the reporting date, the fair values of trade and other receivables, cash and bank balances, restricted cash and trade and other payables are equivalent to the carrying amounts shown in the statement of financial position due to the short-term maturity of these financial instruments.

		Carrying amount					Fair value			
Group	**Note**	**Mandatorily at FVTPL**	**Designated at FVOCI**	**Amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
31 December 2023										
Loans receivables	21	–	–	161,574	–	161,574	–	163,305	–	163,305
Trade and other receivables*	24	–	–	81,023	–	81,023				
Other investments	19	–	7,778	–	–	7,778	–	–	7,778	7,778
Electricity derivatives	22	34,462	–	–	–	34,462	–	–	34,462	34,462
Cross currency swaps	22	100,377	–	–	–	100,377	–	100,377	–	100,377
Interest rate swaps	22	19,752	–	–	–	19,752	–	19,752	–	19,752
Cash and bank balances	25	–	–	442,387	–	442,387				
Restricted cash	25	–	–	51,275	–	51,275				
		154,591	7,778	736,259	–	898,628				

32. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

Group	Note	Carrying amount					Fair value			
		Mandatorily at FVTPL	Designated at FVOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
31 December 2023										
Loans and borrowings	28	–	–	–	(2,899,331)	(2,899,331)	–	(2,927,154)	–	(2,927,154)
Electricity derivatives	22	(93,959)	–	–	–	(93,959)	–	–	(93,959)	(93,959)
Interest rate swaps	22	(4,168)	–	–	–	(4,168)	–	(4,168)	–	(4,168)
Forward exchange contracts	22	(109)	–	–	–	(109)	–	(109)	–	(109)
Trade and other payables*	30	–	–	–	(84,821)	(84,821)				
		(98,236)	–	–	(2,984,152)	(3,082,388)				

* Excludes non-financial assets and liabilities

32. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

Group	Note	Carrying amount: Mandatorily at FVTPL US$'000	Carrying amount: Amortised cost US$'000	Carrying amount: Other financial liabilities US$'000	Carrying amount: Total US$'000	Fair value: Level 1 US$'000	Fair value: Level 2 US$'000	Fair value: Level 3 US$'000	Fair value: Total US$'000
31 December 2022									
Loans receivables	21	–	333,529	–	333,529	–	336,519	–	336,519
Trade and other receivables*	24	–	173,545	–	173,545				
Other investments	19	39,007	–	–	39,007	–	–	39,007	39,007
Electricity derivatives	22	50,142	–	–	50,142	–	–	50,142	50,142
Cross currency swaps	22	61,537	–	–	61,537	–	61,537	–	61,537
Interest rate swaps	22	12,789	–	–	12,789	–	12,789	–	12,789
Forward exchange contract	22	1,579	–	–	1,579	–	1,579	–	1,579
Cash and bank balances	25	–	224,024	–	224,024				
Restricted cash	25	–	31,360	–	31,360				
		165,054	762,458	–	927,512				
Loans and borrowings	28	–	–	(1,529,881)	(1,529,881)	–	(1,542,756)	–	(1,542,756)
Electricity derivatives	22	(41,105)	–	–	(41,105)	–	–	(41,105)	(41,105)
Interest rate swaps	22	(257)	–	–	(257)	–	(257)	–	(257)
Forward exchange contract	22	(4,951)	–	–	(4,951)	–	(4,951)	–	(4,951)
Trade and other payables*	30	–	–	(93,918)	(93,918)				
		(46,313)	–	(1,623,799)	(1,670,112)				

* Excludes non-financial assets and liabilities

32. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

Company	Note	Carrying amount – Mandatorily at FVTPL US$'000	Carrying amount – Amortised cost US$'000	Carrying amount – Other financial liabilities US$'000	Carrying amount – Total US$'000	Fair value – Level 1 US$'000	Fair value – Level 2 US$'000	Fair value – Level 3 US$'000	Fair value – Total US$'000
31 December 2023									
Loans receivables	21	–	133,479	–	133,479	–	133,479	–	133,479
Trade and other receivables	24	–	337	–	337				
Cash and bank balances	25	–	45,600	–	45,600				
		–	179,416	–	179,416				
Loans and borrowings	28	–	–	(535,468)	(535,468)	–	(535,468)	–	(535,468)
Forward exchange contract	22	(109)	–	–	(109)	–	(109)	–	(109)
Trade and other payables*	30	–	–	(14,509)	(14,509)				
		(109)	–	(549,977)	(550,086)				

32. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
Company	**Note**	**Mandatorily at FVTPL** US$'000	**Amortised cost** US$'000	**Other financial liabilities** US$'000	**Total** US$'000	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
31 December 2022									
Loans receivables	21	–	98,267	–	98,267	–	98,267	–	98,267
Trade and other receivables	24	–	388	–	388				
Forward exchange contract	22	1,579	–	–	1,579	–	1,579	–	1,579
Cash and bank balances	25	–	17,350	–	17,350				
		1,579	116,005	–	117,584				
Loans and borrowings	28	–	–	(428,398)	(428,398)	–	(428,398)	–	(428,398)
Forward exchange contract	22	(4,951)	–	–	(4,951)	–	(4,951)	–	(4,951)
Trade and other payables*	30	–	–	(377)	(377)				
		(4,951)	–	(428,775)	(433,726)				

32. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Other investments: Equity investments – at FVTPL and FVOCI	*Discounted cash flows:* The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Discount rate	The estimated fair value would increase (decrease) if the discount rate was lower (higher)
Electricity derivatives	*Discounted cash flows:* The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the expectation of spot rates for the duration of the contract.	Electricity Spot rates Discount rate	The estimated fair value would increase/(decrease) if: • The electricity spot rate was lower/(higher) • The discount rate was lower/(higher)

32. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments measured at fair value (cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Interest rate swaps	*Swap models:* The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.
Forward exchange contracts	*Forward pricing:* The fair value is determined using quoted forward rates at the reporting date and present value calculations based on yield curves in respective currencies.	Not applicable.	Not applicable.
Cross currency swaps	*Swap models*: Cross currency swaps are measured using quoted forward exchange rates and yield curves from quoted interest rates of the respective currencies, matching maturities of the swaps.	Not applicable.	Not applicable.

32. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments not measured at fair value

Type	Valuation technique
Group	
Loans and borrowings/Loans receivables	*Discounted cash flows:* The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

Level 3 fair values

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

	Group				
	2023			2022	
	Equity investments – at FVOCI US$'000	**Equity investments – at FVTPL** US$'000	**Electricity derivatives** US$'000	**Equity investments – at FVTPL** US$'000	**Electricity derivatives** US$'000
Beginning balance	–	39,007	9,037	23,548	146,520
Reclassification [1]	39,007	(39,007)	–	–	–
Additions	313	–	–	2,316	–
Unrealised portion of changes in fair value of equity investment recognised in other comprehensive income	(13,636)	–	–	–	–
Unrealised portion of changes in fair value of equity investment recognised in profit or loss	–	–	–	15,120	–
Ineffective portion of changes in fair value of cash flow hedge recognised in profit or loss	–	–	5,819	–	(37,383)
Effective portion of changes in fair value of cash flow hedge recognised in OCI, net	–	–	(74,687)	–	(91,478)
Remeasurement of previously held interest (Note 17)	(17,950)	–	–	–	–
Foreign currency translation recognised in OCI	44	–	334	(1,977)	(8,622)
Ending balance	7,778	–	(59,497)	39,007	9,037

32. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Level 3 fair values (cont'd)

[1] Arising from the transfer of TK interests as disclosed in Note 17, the Group reviewed its business strategy of the equity investments and deemed that these investments are not held-for-trading but for long-term investments. Accordingly, the equity investments previously measured at FVTPL had been reclassified to equity investments at FVOCI at the beginning of the reporting period.

Sensitivity analysis

Equity Investments – at FVTPL

At 31 December 2023, if the discount rate increased/decreased by 1%, the Group's losses before tax would have been US$1.7 million (2022: US$10.9 million) higher/lower.

This analysis assumes that all other inputs remain constant.

Electricity derivatives

For the fair values of electricity derivatives, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Increase/(decrease)	
	Profit before tax	**Cash flow hedge reserve**
	US$'000	US$'000
Group		
31 December 2023		
Spot rate		
- 0.1% increase	(19)	78
- 0.1% decrease	19	(78)
Discount rate		
- 0.1% increase	79	(331)
- 0.1% decrease	(79)	331
31 December 2022		
Spot rate		
- 0.1% increase	5	(4)
- 0.1% decrease	(5)	4
Discount rate		
- 0.1% increase	174	(125)
- 0.1% decrease	(174)	125

33. Commitments

Construction agreements

As at 31 December 2023, the commitments for the acquisition of property, plant, and equipment included supply contracts and construction of power plants totaling US$249.5 million (2022: 106.7 million).

Acquisitions

Project Yokji

On April 2020, the Group entered into a sale and purchase agreement to acquire 100% of Yokji. A portion of the purchase consideration is contingent upon Yokji achieving certain project milestones.

In May 2021, the Group made the contingent payment amounting to KRW2,200 million upon the execution of the grid connection agreement and recognised the contingent payment as part of the Group's project-related agreements and licenses in Note 16 Intangible assets.

The Group commits to pay the remaining contingent payments, amounting to KRW5,000 million, upon the submission of final and effective notice of the commencement of construction work to the competent Governmental Authority in relation to the project.

Project Taean

In January 2022, the Group entered into a sale and purchase agreement to acquire 100% of Taean Wind Power Co., Ltd. (“Taean”) in stages. The total purchase consideration ranges from KRW50 billion to KRW140 billion and is contingent on the final tariff rate granted in the power purchase agreement and construction cost stated in the EPC contract that have yet to be finalised.

As at 31 December 2023, the Group has acquired 45% of Taean for KRW 4.3 billion (US$3.5 million) and paid an advanced partial consideration of KRW 1.8 billion (US$1.4 million) in respect of the acquisition of second tranche of 45% share in Taean in accordance with the terms of the sale and purchase agreement.

34. Related parties

Vena Energy Holdings Pte. Ltd. and Vena Energy (Taiwan) Holdings Pte. Ltd. have identical director through the periods presented in these financial statements. Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) is the beneficiary of Zenith Japan Trust acting by its trustee of Zenith Japan Ltd, which has entered into numerous tokumei kumiai arrangements that gives Zenith Japan Trust an economic interest in its subsidiaries' assets in Japan (the "Japanese Assets"). The Japanese Assets have entered into asset management agreements with certain Japanese companies owned by Vena Energy Holdings Pte. Ltd.

As such, the Group has determined Vena Energy (Taiwan) Holdings Pte. Ltd. and its subsidiaries ("VETHPL Group"), Zenith Japan Holdings Trust and its subsidiaries ("ZJHT Group") as related parties in accordance with IAS 24. Accordingly, all mentions of related parties in the financial statements, except as otherwise defined, refer to entities within VETHPL Group and ZJHT Group.

During the year, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

35. Non-controlling interests

As at 31 December 2022, the Group's non-controlling interests were primarily attributable to Prime Energy Capital Co., Ltd. ("PEC") holding fully paid up equity shares in all Thailand-domiciled subsidiaries.

During the year, 95% of TK interest were transferred to APAC, a wholly-owned subsidiary of the Company (Note 17).

As a result of the transfer, the following entities were accounted for as subsidiaries of the Group. The Group's economic interests include:

(1) 37% interest in NRE Hikari Investment Limited Partnership and its subsidiaries, GK NRE-04 Investment, GK NRE-06 Investment and GK NRE-18 Investment (collectively known as "Project Hikari"), with non-controlling interests representing 63%.

(2) 50% interest in GK Hayabusa and its subsidiaries, GK NRE-05 Investment and GK NRE-19 Investment (collectively known as "Project Hayabusa"), with non-controlling interests representing 50%.

(3) 96% interest in other Japanese subsidiaries, with non-controlling interests representing 4%.

As at 31 December 2023, the Group's non-controlling interests included those in subsidiaries based in Thailand and Japan.

35. Non-controlling interests (cont'd)

The following table summarises the financial information relating to the Group's subsidiaries that has material NCI, before any intra-group eliminations.

	2023				2022
	Project Hayabusa US$'000	**Project Hikari** US$'000	**Japan-others** US$'000	**Thailand** US$'000	**Thailand** US$'000
Non-current assets	214,487	324,336	2,419,222	307,277	323,769
Current assets	30,581	33,270	396,565	51,741	36,939
Non-current liabilities	(169,920)	(254,321)	(1,327,958)	(44,751)	(53,054)
Current liabilities	(11,788)	(26,190)	(108,110)	(13,664)	(24,751)
Net assets	63,360	77,095	1,379,719	300,603	282,903
Dividends paid by subsidiaries during the year	(14,435)	(9,245)	(107,683)	(18,835)	(9,792)
NCI percentage	49%-51%	63%-64%	4.3%-5.1%	30%	30%
Net assets attributable to NCI	24,800	43,136	54,654	84,531	81,933
Revenue	10,426	20,486	63,725	43,363	42,753
Profit	4,468	3,945	16,476	26,433	26,540
OCI	403	484	13,642	55	(4,744)
Total comprehensive income	4,871	4,429	30,118	26,488	21,796
Profit allocated to NCI	2,265	2,507	708	7,930	7,962
OCI allocated to NCI	204	308	586	17	(1,423)

Dividends

The following exempt (one-tier) dividends were declared and paid by subsidiaries to NCI by the Group:

	2023				2022
	Project Hayabusa US$'000	**Project Hikari**	**Japan-others**	**Thailand** US$'000	**Thailand** US$'000
Paid by subsidiaries to NCI	7,317	5,878	4,627	5,651	2,938

36. Contingent liability

Tax dispute

Certain subsidiaries of the Group are involved in a tax dispute, with exposure amounting to approximately US$3.4 million (INR 287 million). An Assessing Officer ("AO") has made the following adjustments to the tax returns of the subsidiary:

- Disallowed interest differential between 9.5%/11% and 15%/10.9% for or non-convertible debentures/rupee denominated bonds ("NCD/RDB"), respectively; and
- Disallowed certain Capex/Opex based expenditure.

These adjustments were deleted by an appellate tribunal. However during the current financial year, the Revenue authorities has submitted an appeal to the Indian High Court, and as at 31 December 2023, the tax litigation remains in progress. Based on external tax and legal advice, management anticipates a favorable outcome for the Group and expects its current tax treatment to be accepted.

37. Subsequent events

Amendment to existing revolving credit facilities agreement

On 24 January 2024, Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd., and Zenith Japan Holdings Trust ("collectively Borrowers") amended and restated the terms of their existing JPY52.8 billion (approximately US$364 million) corporate revolving credit facility (the "RCF"). The total commitment of the RCF has been expanded to JPY87.0 billion (approximately US$600 million) and it has a tenor of 5 years. The margin of the RCF is set at 1.0% with the potential to accomplish a further margin reduction if certain sustainability-related key performance indicators (KPIs) are jointly achieved, or a margin increase in case all the KPIs are jointly missed.

Project Taean

On 14 February 2024, the Group increased its stake in Taean from 45% to 90%, making the second tranche payment of KRW3.0 billion (US$2.3 million) for the acquisition of an additional 45% of the shares in accordance with the terms of the Sale and Purchase Agreement.

Investment in a subsidiary

From January 2024 to April 2024, the Company subscribed to 10,353,405 ordinary shares of US$1.00 each amounting to US$10,353,405 in Vena Energy Group Pte. Ltd., a wholly owned subsidiary of the Company.

38. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Director on 10 May 2024.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries

(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Annual Report
For the year ended 31 December 2023

Building a better working world

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

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Statement by Directors

The directors hereby present their statement to the member together with the audited consolidated financial statements of Vena Energy Taiwan Holdings Pte. Ltd. (formerly known as Vena Energy (Taiwan) Holdings Ltd) (the "Company") and its subsidiaries (collectively, the "Group"), and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

(i) the financial statements comprising the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and the consolidated financial performance, changes in equity and cash flows of the Group and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS"); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are as follows:

Juan Mas Valor
Nitin Srinivas Apte
Rupert Charles Collinson Hall
Simone Grasso

Arrangements to enable directors to acquire shares or debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Statement by Directors

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

DocuSigned by:
A481CBD4F5D849C...
Nitin Srinivas Apte
Director

DocuSigned by:
DB4BBC4FD4B94FC...
Rupert Charles Collinson Hall
Director

10 May 2024
Singapore

To the Member of Vena Energy Taiwan Holdings Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vena Energy Taiwan Holdings Pte. Ltd. (formerly known as Vena Energy (Taiwan) Holdings Ltd) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the Company's financial performance, changes in equity and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the statement by directors set out on page 1 and 2, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of management and the Directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The Directors are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

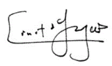
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

10 May 2024

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Statements of Profit or Loss
For the year ended 31 December 2023

	Note	Group		Company	
		2023 US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
Revenue	4	93,092	74,894	–	–
Other income	5	1,052	87	–	–
Operating costs	6	(10,365)	(8,595)	(524)	(40)
Other costs of operations	7	(16,191)	(14,050)	–	–
Shared services costs	8	(10,969)	(8,772)	(763)	–
Management fee		(166)	(237)	–	–
Development costs	9	(36)	(43)	–	–
Depreciation expense	14, 15	(23,302)	(15,230)	–	–
Amortisation expense	16	(894)	(934)	–	–
Results from operating activities		32,221	27,120	(1,287)	(40)
Finance income	10	1,625	100	12	57
Finance costs	10	(16,685)	(11,578)	(1,692)	(2,243)
Change in fair value of financial instruments at fair value through profit or loss ("FVTPL")	11	687	4,044	–	–
Net foreign exchange gain		7,904	28,124	9,283	26,823
Net finance (expense)/income		(6,469)	20,690	7,603	24,637
Write-off of project costs		(85)	(16)	–	–
Share of results of equity-accounted investees, net of tax	18	(13,592)	4,111	–	–
Profit before tax	12	12,075	51,905	6,316	24,597
Tax expense	13	(3,859)	(4,334)	–	(1)
Profit for the year		8,216	47,571	6,316	24,596
Profit attributable to:					
Owner of the Company		8,216	47,278		
Non-controlling interests		–	293		
		8,216	47,571		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Statements of Comprehensive Income
For the year ended 31 December 2023

	Note	Group		Company	
		2023 US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
Profit for the year		8,216	47,571	6,316	24,596
Other comprehensive income ("OCI")					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plan of equity-accounted investees	18	(5)	–	–	–
		(5)	–	–	–
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(2,874)	(20,518)	–	–
Foreign currency translation differences of equity-accounted investees	18	(455)	(5,167)	–	–
Other comprehensive income for the year		(3,334)	(25,685)	–	–
Total comprehensive income for the year		4,882	21,886	6,316	24,596
Total comprehensive income attributable to:					
Owner of the Company		4,882	21,999		
Non-controlling interests		–	(113)		
		4,882	21,886		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position
As at 31 December 2023

	Note	Group		Company	
		2023 US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	403,285	424,959	–	–
Right-of-use assets	15	76,373	70,684	–	–
Intangible assets	16	44,916	46,747	–	–
Investment in subsidiaries	17	–	–	303,565	296,165
Equity-accounted investees	18	38,022	53,806	–	–
Deferred tax assets	19	748	–	–	–
Derivative assets	20	4,489	3,819	–	–
		567,833	600,015	303,565	296,165
Current assets					
Trade and other receivables	21	23,037	74,155	9	15
Prepayments and other assets	22	5,447	1,609	–	4
Cash and bank balances	23	144,882	38,128	448	375
Loan receivables	24	5,986	–	–	–
		179,352	113,892	457	394
Total assets		747,185	713,907	304,022	296,559
Equity					
Equity contribution	25	125,497	125,497	125,497	125,497
Accumulated profits		31,839	25,801	37,364	31,048
Reserves	26	(20,169)	(19,013)	–	–
Total equity		137,167	132,285	162,861	156,545

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Statements of Financial Position (cont'd)
As at 31 December 2023

	Note	Group		Company	
		2023 US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
LIABILITIES					
Non-current liabilities					
Loans and borrowings	27	451,621	421,806	114,113	114,995
Lease liabilities	27	83,556	76,347	–	–
Deferred tax liabilities	19	–	483	–	–
Asset retirement obligation	28	7,002	6,971	–	–
Trade and other payables	29	271	–	–	–
		542,450	505,607	114,113	114,995
Current liabilities					
Loans and borrowings	27	30,039	25,487	3,535	2,480
Lease liabilities	27	4,257	3,404	–	–
Trade and other payables	29	30,470	44,046	23,513	22,539
Current tax liabilities		2,802	3,078	–	–
		67,568	76,015	27,048	25,019
Total liabilities		610,018	581,622	141,161	140,014
Total equity and liabilities		747,185	713,907	304,022	296,559

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

Group	**Note**	**Equity contribution** US$'000	**Accumulated profits** US$'000	**Reserves** US$'000	**Total equity** US$'000
At 1 January 2023		125,497	25,801	(19,013)	132,285
Profit for the year		–	8,216	–	8,216
Other comprehensive income					
Remeasurement of defined benefit plan of equity-accounted investees	18	–	–	(5)	(5)
Foreign currency translation differences		–	–	(2,874)	(2,874)
Foreign currency translation differences of equity-accounted investees	18	–	–	(455)	(455)
Total comprehensive income for the year		–	8,216	(3,334)	4,882
Others					
Reallocation of profits to legal reserve		–	(2,178)	2,178	–
At 31 December 2023		125,497	31,839	(20,169)	137,167

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Consolidated Statement of Changes in Equity (cont'd)
For the year ended 31 December 2023

		Attributable to owner of the Company					
Group	**Note**	**Equity contribution** US$'000	**Accumulated profits/ (losses)** US$'000	**Reserves** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total equity** US$'000
At 1 January 2022		125,497	(14,836)	5,837	116,498	5,501	121,999
Profit for the year		–	47,278	–	47,278	293	47,571
Other comprehensive income							
Foreign currency translation differences		–	–	(20,112)	(20,112)	(406)	(20,518)
Foreign currency translation differences of equity-accounted investees	18	–	–	(5,167)	(5,167)	–	(5,167)
Total comprehensive income for the year		–	47,278	(25,279)	21,999	(113)	21,886
Transactions with owner, recognised directly in equity							
Contributions by and distributions to owner							
Acquisition of non-controlling interests	34	–	(6,212)	–	(6,212)	(5,388)	(11,600)
Others							
Reallocation of profits to legal reserve		–	(429)	429	–	–	–
At 31 December 2022		125,497	25,801	(19,013)	132,285	–	132,285

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Statement of Changes in Equity
For the year ended 31 December 2023

Company	**Equity contribution** US$'000	**Accumulated profits** US$'000	**Total** US$'000
At 1 January 2023	125,497	31,048	156,545
Profit for the year representing total comprehensive income	–	6,316	6,316
At 31 December 2023	125,497	37,364	162,861
At 1 January 2022	125,497	6,452	131,949
Profit for the year representing total comprehensive income	–	24,596	24,596
At 31 December 2022	125,497	31,048	156,545

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

Group	**Note**	**2023** US$'000	**2022** US$'000
Cash flows from operating activities			
Profit before tax		12,075	51,905
Adjustments for:			
Depreciation expense	14,15	23,302	15,230
Amortisation expense	16	894	934
Finance costs	10	16,685	11,578
Finance income	10	(1,625)	(100)
Write-off of project costs	(a)	85	16
Change in fair value of financial instruments at FVTPL	11	(687)	(4,044)
Unrealised foreign exchange gain		(8,976)	(27,958)
Share of results of equity-accounted investees, net of tax	18	13,592	(4,111)
		55,345	43,450
Changes in:			
- Trade and other receivables		49,488	(57,164)
- Prepayments and other assets		(3,953)	582
- Trade and other payables		(12,804)	10,646
Cash generated from/(used in) operating activities		88,076	(2,486)
Tax paid		(4,827)	(940)
Net cash generated from/(used in) operating activities		83,249	(3,426)
Cash flows from investing activities			
Purchase of property, plant and equipment	(b)	(5,875)	(117,425)
Distribution from equity-accounted investees	18	1,732	7,801
Acquisition of non-controlling interests		–	(11,600)
Disbursement of loan to a related party		(5,972)	–
Interest received		654	100
Net cash used in investing activities		(9,461)	(121,124)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Consolidated Statement of Cash Flows (cont'd)
For the year ended 31 December 2023

Group	**Note**	**2023** US$'000	**2022** US$'000
Cash flows from financing activities			
Proceeds from drawdown of loans and borrowings:			
- Project finance debts	27	52,164	157,626
- Loan from related parties	27	31,057	43,629
Repayment of loans and borrowings			
- Project finance debts	27	(15,587)	(6,367)
- Loan from related parties	27	(23,226)	(59,520)
- Loan from Euro Medium Term Note Issuer	27	–	(129)
Principal repayment of lease liabilities	27	(3,101)	(2,489)
Transaction costs related to loans and borrowings	27	(54)	(3,179)
Interest paid on:			
- Project finance debts	27	(9,393)	(7,664)
- Loan from Euro Medium Term Note Issuer	27	(356)	(454)
- Lease liabilities	27	(2,546)	(1,901)
Net interest received from derivatives		958	–
Deposits unpledged/(pledged)	23	1,000	(6,172)
Net cash generated from financing activities		30,916	113,380
Net increase/(decrease) in cash and cash equivalents		104,704	(11,170)
Cash and cash equivalents at 1 January		27,097	43,163
Effect of exchange rate fluctuations on cash held		3,050	(4,896)
Cash and cash equivalents at 31 December	23	134,851	27,097

(a) Pertains to other assets (Note 21) written off of US$85,000 (2022: US$16,000).

(b) During the current financial year, the Group purchased property, plant and equipment (Note 14) amounting to US$5.9 million (2022: US$122.6 million), which included the provision for asset retirement obligation of US$ Nil (2022: US$5.2 million).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries
(Formerly known as Vena Energy (Taiwan) Holdings Ltd and its subsidiaries)

Statement of Cash Flows
For the year ended 31 December 2023

Company	**Note**	**2023** US$'000	**2022** US$'000
Cash flows from operating activities			
Profit before tax		6,316	24,597
Adjustments for:			
Finance costs	10	1,692	2,243
Finance income	10	(12)	(57)
Unrealised foreign exchange gain		(8,970)	(26,826)
		(974)	(43)
Changes in:			
- Trade and other receivable		4	(15)
- Prepayments and other assets		4	(4)
- Trade and other payables		977	(18)
Cash generated from/(used in) operating activities		11	(80)
Withholding tax paid		–	(1)
Net cash generated from/(used in) operating activities		11	(81)
Cash flows from investing activities			
Capital contribution to a subsidiary	17	(23,974)	(8,513)
Return of capital from a subsidiary	17	16,574	1,736
Advances from a subsidiary		–	22,475
Interest received		12	57
Net cash (used in)/generated from investing activities		(7,388)	15,755
Cash flows from financing activities			
Proceeds from drawdown of loans and borrowings:			
- Loan from a related party	27	31,057	43,629
Repayment of loans from Euro Medium Term Note Issuer		–	(129)
Repayment of loans from a related party	27	(23,226)	(59,520)
Payment of transaction costs related to loans and borrowings		(21)	(216)
Interest paid on:			
- Loan from Euro Medium Term Note Issuer	27	(356)	(454)
Net cash generated from/(used in) financing activities		7,454	(16,690)
Net increase/(decrease) in cash and cash equivalents		77	(1,016)
Cash and cash equivalents at 1 January		375	1,391
Effect of exchange rate fluctuations on cash held		(4)	–*
Cash and cash equivalents at 31 December	23	448	375

* Amount less than US$1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Domicile and activities

Vena Energy Taiwan Holdings Pte. Ltd. (formerly known as Vena Energy (Taiwan) Holdings Ltd) (the "Company") was incorporated in the Cayman Islands and had its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

On 15 November 2023, the Company redomiciled to Singapore as a private company limited by shares and its registered office is located at 1 George Street, #14-07 One George Street, Singapore 049145.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activity of the Group is that of developer, owner and operator of renewable energy assets in Taiwan and Philippines.

The immediate holding company and ultimate controlling company of the Group as at 31 December 2023 are GIP Zenith (Taiwan) Ltd and Global Infrastructure Investors III, LLC respectively of which the former is incorporated in the Cayman Islands and the latter is incorporated in Delaware, U.S.A.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS"). The changes in material accounting policies are described in Note 2.6. SFRS(I) are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRS as issued by the International Accounting Standard Board. All references to SFRS(I) and IFRS are subsequently referred to as IFRS in these financial statements unless otherwise stated.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars ("US$" or "USD") which is the Company's functional currency and have been rounded to the nearest thousand, unless otherwise stated.

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 16 – impairment test of goodwill, intangible assets and property, plant and equipment: key assumptions underlying recoverable amounts; and

- Note 29 – measurement of expected credit loss ("ECL") allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

Measurement of fair values

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

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

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

2. Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

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

Further information about the assumptions made in measuring fair values is included in Note 30.

2.5 Changes in accounting policies

New standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial statements of the Group.

2.6 Standards issued but not yet effective

The Group has not adopted the following amendments applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 *Statement of Cashflows* and IFRS 7 *Financial Instruments: Disclosures*: Supplier Finance Arrangement Disclosures	1 January 2024
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates:* Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Directors expect that the adoption of the amendments above will have no material impact on the financial statements in the period of initial application.

3. Material accounting policy information

The accounting policies set out below have been consistently applied by the Group ("Group accounting policies").

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

In applying the acquisition method, the consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration is recognised in profit or loss.

Non-controlling interests ("NCI") that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by the Group accounting policies.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

3. Material accounting policy information (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

The Group recognises goodwill on a provisional basis if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. During the measurement period, such provisional amounts are retrospectively adjusted from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

The Group accounts for indirectly held interests in subsidiaries through equity accounted investees by excluding such interests in the parent's share when determining the percentage of interest attributable to NCI.

<u>Loss of control</u>

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. Material accounting policy information (cont'd)

3.1 Basis of consolidation (cont'd)

(iii) Interest in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commence until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Investments in associates are derecognised when the Group loses significant influence. If the retained interest in the former equity-accounted associate is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in the profit or loss.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Subsidiaries and associates in the separate financial statements

Investment in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3. Material accounting policy information (cont'd)

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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

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

Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at monthly average exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in OCI and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI and are presented in the translation reserve in equity.

3. Material accounting policy information (cont'd)

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing items and restoring the site on which they are located; and
- capitalised borrowing costs.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

3. Material accounting policy information (cont'd)

3.3 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvements	2 - 10 years
Electric generator equipment	1 - 28 years
Vehicles	5 years
Computers, fittings and fixture and office equipment	2 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

No depreciation is provided for freehold land and assets under construction.

3.4 Intangible assets and goodwill

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to the cash-generating unit ("CGU") for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations; land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses.

3. Material accounting policy information (cont'd)

3.4 Intangible assets and goodwill (cont'd)

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Power purchase agreements 20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets at amortised cost

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

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

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

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

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

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets – Business model assessment (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cashflows are solely payments of principal and interest

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

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

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets – Assessment whether contractual cashflows are solely payments of principal and interest (cont'd)

The following accounting policies apply to the subsequent measurement of financial assets:

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

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

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

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

3. Material accounting policy information (cont'd)

3.5 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Derivative financial instruments

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded in cash and cash equivalents.

3.7 Share capital

Ordinary shares

Ordinary shares are classified as equity contribution. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Share premium

Share premium represents the excess amounts over the par value of each ordinary share issued and are classified as "equity contribution".

Share repurchase

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity.

3.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised costs; and
- contract assets.

3. Material accounting policy information (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Loss allowances of the Group are measured on either of the following bases:

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

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

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

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

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

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

The Group considers the counterparty to be in default if the counterparty is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

3. Material accounting policy information (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Measurement of ECLs

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

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. Material accounting policy information (cont'd)

3.8 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3. Material accounting policy information (cont'd)

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Asset retirement obligation

Provisions for environmental restoration and restructuring are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.10 Revenue

Sale of energy

Revenue from sale of energy in the ordinary course of business is recognised in profit or loss when the Group satisfies a performance obligation ("PO") by transferring control of the electricity generated to the customer. The amount of revenue recognition is the amount of the transaction price allocated to the satisfied PO.

The transaction price is determined based on the applicable tariff rates. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised service. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Revenue from sale of energy is recognised in profit or loss when the electricity generated is dispatched to the customer over time.

Revenue is determined based on the unit of sales delivered at the applicable tariff rates.

An element of significant financing component is deemed present for the Group's sale of electricity for contracts whereby the period between the satisfaction of PO and when the customer pays the transaction price exceeds one year. For these contracts, the Group adjusts the promised consideration for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at the contract inception, such that it reflects the credit characteristics of the party receiving the benefit of financing in the contract.

3. Material accounting policy information (cont'd)

3.10 Revenue (cont'd)

Dividend income

Dividend income is recognised in profit or loss when the right to receive income is established. For unquoted equity securities, dividend income is recognised when the shareholders have approved the payment of a dividend.

3.11 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus 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.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Remeasurement are recognised in profit or loss in the period in which they arise.

3.12 Operating costs

Operating costs include expenditure that are incurred by the Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

3.13 Shared services costs

Shared services costs include expenditure that are incurred by the Group's service entities in providing shared services and asset management services to renewable energy assets of the Group's affiliates.

3.14 Development costs

Development costs include expenditure that are incurred by the Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

3. Material accounting policy information (cont'd)

3.15 Finance income and finance costs

Finance income is comprised of interest income. Finance costs are comprised of interest expense on borrowings and other finance costs.

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

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

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3. Material accounting policy information (cont'd)

3.16 Tax (cont'd)

Deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals for existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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 To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in accordance with the Group accounting policies.

3. Material accounting policy information (cont'd)

3.17 Leases (cont'd)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Right-of-use assets are depreciated over their estimated useful lives as follows:

Land	25 – 28 years
Office	2 – 5 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3. Material accounting policy information (cont'd)

3.17 Leases (cont'd)

As a lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, 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 right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Revenue

The Group's revenue comprises:

	Group	
	2023	**2022**
	US$'000	US$'000
Sale of energy	93,092	74,894

4. Revenue (cont'd)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and major products.

	Group	
	2023	**2022**
	US$'000	US$'000
Taiwan Solar	93,092	74,894

Contract balances

Please refer to Note 21 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

5. Other income

The Group's other income comprises:

	Group	
	2023	**2022**
	US$'000	US$'000
Development service fee income	870	–
Insurance claims	155	69
Other income	27	18
	1,052	87

6. Operating costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Operations and maintenance costs	3,338	2,318	–	–
Utilities and transmission costs	931	1,306	–	–
Professional fees	1,051	1,017	34	38
Insurance	1,586	1,402	–	–
Occupancy cost	277	476	–	–
Travel and entertainment expenses	128	219	–	–
Asset related taxes and levies	1,595	1,250	–	–
Other general and administrative costs	1,459	607	490	2
	10,365	8,595	524	40

Staff costs of US$1.5 million (2022: US$1.2 million) is included within operations and maintenance costs.

7. Other costs of operations

	Group	
	2023	**2022**
	US$'000	US$'000
Revenue sharing	16,191	14,050

Revenue sharing of US$16.2 million (2022: US$14.1 million) relates to the amount payable to a local government agency based on a percentage of the gross revenue derived from certain of the Group's operational solar assets.

8. Shared services costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Staff costs	4,657	–	–	–
Shared service charges	5,989	8,772	763	–
Travel and entertainment expenses	112	–	–	–
Occupancy cost	109	–	–	–
Secondment fee	102	–	–	–
	10,969	8,772	763	–

In accordance with the agreement dated 20 December 2023 entered into by the Company with a related party, Vena Energy Pte. Ltd. (the "Service Agreement"), the Company shall, in consideration for the Services (as defined in the Service Agreements), pay to Vena Energy Pte. Ltd, fees being the amount of costs incurred by Vena Energy Pte. Ltd. in each Financial Year (as defined in the Services Agreement) in providing the Services to the Company, plus a 10% mark-up with effect from 1 September 2023.

9. Development costs

	Group	
	2023	**2022**
	US$'000	US$'000
Professional fees	21	26
Other general and administrative costs	15	17
	36	43

10. Finance income and finance costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Finance income				
Interest income from:				
- Bank balances	653	99	12	50
- Other finance income	1	1	–	1
- Loan to a related party	13	–	–	6
- Interest rate swaps	958	–	–	–
Total finance income	1,625	100	12	57
Finance costs				
Interest expense on:				
- Loan from a related party	(1,319)	(1,529)	(1,291)	(1,529)
- Loan from Euro Medium Term Note Issuer	(290)	(391)	(290)	(391)
- Project finance debts	(11,507)	(7,066)	–	–
- Lease liabilities	(2,562)	(985)	–	–
- Interest rate swaps	–	(309)	–	–
Other finance costs	(1,007)	(1,298)	(111)	(323)
Total finance costs	(16,685)	(11,578)	(1,692)	(2,243)

Included in other finance costs are deferred financing costs of US$0.2 million (2022: US$0.2 million) and the unwinding of discount pertaining to asset retirement obligation of US$0.2 million (2022: US$0.1 million).

11. Change in fair value of financial instruments at FVTPL

	Group	
	2023	**2022**
	US$'000	US$'000
Gain on change in fair value:		
- Interest rate swaps	687	4,044

12. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2023	**2022**
	US$'000	US$'000
Staff costs		
Salaries	3,148	756
Staff benefits, allowances and others	1,278	273
Bonus	1,170	188
Contributions to defined contribution plans	263	–
Employee insurance	36	–
Recruitment fees	276	–
	6,171	1,217

13. Tax expense

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Current tax expense				
Withholding tax	494	215	–	1
Corporate income tax	4,587	3,527	–	–
	5,081	3,742		1
Deferred tax expense				
Origination and reversal of temporary difference (Note 19)	(1,222)	592	–	–
	(1,222)	592	–	–
Tax expense	3,859	4,334	–	1

13. Tax expense (cont'd)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Reconciliation of effective tax rate				
Profit before tax	12,075	51,905	–	24,597
Tax at domestic rates applicable to profits in the countries where the Group operates	6,578	3,642	–	–
Expenses non-deductible for tax purposes	1,627	2,817	–	–
Tax-exempt income/non-taxable income	(3,284)	(685)	–	–
Withholding tax	494	215	–	1
Effects of results of equity-accounted investees presented net of tax	(461)	(1,379)	–	–
Recognition of tax effect of previously unrecognised tax losses	(1,126)	(383)	–	–
Current year losses for which no deferred tax assets are recognised	28	28	–	–
Others	3	79	–	–
	3,859	4,334	–	1

14. Property, plant and equipment

	Note	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Computers, fittings and fixture and office equipment US$'000	Assets under construction US$'000	Vehicles US$'000	Total US$'000
Group							
Cost							
At 1 January 2022		56	131,657	182	232,255	213	364,363
Additions		1	23,621	30	98,921	48	122,621
Reclassification		–	316,109	1	(316,110)	–	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	15	–	–	–	1,914	–	1,914
Effect of exchange rate changes		(7)	(24,350)	(6)	(15,397)	29	(39,731)
At 31 December 2022		50	447,037	207	1,583	290	449,167
Additions		19	1,738	200	3,568	350	5,875
Reclassification		265	1,349	–	(1,614)	–	–
Effect of exchange rate changes		(2)	(10,422)	(17)	(5)	(8)	(10,454)
At 31 December 2023		332	439,702	390	3,532	632	444,588

14. Property, plant and equipment (cont'd)

	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Computers, fittings and fixture and office equipment US$'000	Assets under construction US$'000	Vehicles US$'000	Total US$'000
Group						
Accumulated depreciation						
At 1 January 2022	47	12,065	79	–	31	12,222
Depreciation charge for the year	6	13,261	18	–	46	13,331
Effect of exchange rate changes	(6)	(1,331)	(4)	–	(4)	(1,345)
At 31 December 2022	47	23,995	93	–	73	24,208
Depreciation charge for the year	25	17,513	49	–	95	17,682
Effect of exchange rate changes	(2)	(561)	(23)	–	(1)	(587)
At 31 December 2023	70	40,947	119	–	167	41,303
Carrying amounts						
At 31 December 2022	3	423,042	114	1,583	217	424,959
At 31 December 2023	262	398,755	271	3,532	465	403,285

14. Property, plant and equipment (cont'd)

As at the reporting date, property, plant and equipment of the Group with carrying amounts of US$398.8 million (2022: US$423.0 million) were pledged as collateral to secure project finance debts.

During the financial year, shared services cost charged by a related party, Vena Energy Pte. Ltd., amounting to US$0.4 million (2022: US$0.2 million) has been capitalised for projects that have yet to reach their commercial operation dates.

The Group assessed the impairment of property, plant and equipment together with its related intangible assets as described in Note 16.

15. Right-of-use assets

	Note	Land and office US$'000
Group		
Cost		
At 1 January 2022		89,997
Additions		331
Effect of exchange rate changes		(8,385)
At 31 December 2022		81,943
Additions		12,784
Effect of exchange rate changes		(1,712)
At 31 December 2023		93,015
Accumulated depreciation		
At 1 January 2022		8,323
Depreciation expense		1,899
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	14	1,914
Effect of exchange rate changes		(877)
At 31 December 2022		11,259
Depreciation expense		5,620
Effect of exchange rate changes		(237)
At 31 December 2023		16,642
Carrying amounts		
At 31 December 2022		70,684
At 31 December 2023		76,373

16. Intangible assets

	Goodwill US$'000	Project-related agreements and licences US$'000	Total US$'000
Group			
Cost			
At 1 January 2022	35,595	20,040	55,635
Effect of exchange rate changes	(3,318)	(1,867)	(5,185)
At 31 December 2022	32,277	18,173	50,450
Effect of exchange rate changes	(651)	(366)	(1,017)
At 31 December 2023	31,626	17,807	49,433
Accumulated depreciation			
At 1 January 2022	–	3,083	3,083
Amortisation expense	–	934	934
Effect of exchange rate changes	–	(314)	(314)
At 31 December 2022	–	3,703	3,703
Amortisation expense	–	894	894
Effect of exchange rate changes	–	(80)	(80)
At 31 December 2023	–	4,517	4,517
Carrying amounts			
At 31 December 2022	32,277	14,470	46,747
At 31 December 2023	31,626	13,290	44,916

Amortisation of project related agreements and licences will begin on the commercial operation date of the solar photovoltaic plants as defined in the respective power purchase agreements.

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's group of CGUs (operating division) as follows:

	Group 2023 US$'000	Group 2022 US$'000
Taiwan	31,626	32,277

16. Intangible assets (cont'd)

Impairment testing for CGUs containing goodwill (cont'd)

Operations in Taiwan

The recoverable amount of the group of CGUs was based on fair value less costs of disposal, estimated using discounted cash flows method. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The discounted cash flows valuation is based on management's cash flow projections assuming up to 40 years (2022: up to 30 years) of operating life, with no terminal value assumed. The post-tax discount rate of 6.7% to 9.7% (2022: 6.2% to 7.7%) are estimated based on the cost of equity for the Group's operational assets and applying additional risk premium for under construction, contracted and development assets.

As at 31 December 2023, for the discounted cash flows valuation, a rise in the post-tax discount rates by 0.3%, holding other inputs constant, would not result in impairment. As at 31 December 2022, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amount to be materially below the carrying amount of the group of CGUs.

17. Investment in subsidiaries

	Company	
	2023	**2022**
	US$'000	US$'000
Equity investment, at cost	303,565	296,165

The table below provides a reconciliation of the movement in investment in subsidiaries:

	Company	
	2023	**2022**
	US$'000	US$'000
Balance as at 1 January	296,165	289,388
Capital injection during the year	23,974	8,513
Reduction of interest in a subsidiary	(16,574)	(1,736)
Balance as at 31 December	303,565	296,165

17. Investment in subsidiaries (cont'd)

The table below provides details of the significant subsidiaries of the Group:

Name of subsidiaries	Sector	Project name	Status	Principal place of business	Ownership interest 2023 %	Ownership interest 2022 %
Soleq Taiwan Solar Energy Ltd	Solar	1. Davis 2. Coltrane	Operating	Taiwan	100	100
Soleq Taiwan Two Energy Ltd	Solar	Brubeck	Operating	Taiwan	100	100
Vena Energy Taiwan Solar Energy Ltd	Solar	Mingus	Operating	Taiwan	100	100
Soleq Taiwan Renewables Ltd	Solar	Hancock	Operating	Taiwan	100	100
Shuo Li PV Energy Co. Ltd	Solar	Yunlin E2	Operating	Taiwan	100	100
Vena Energy Taiwan Renewables Ltd	Solar	Cole	Operating	Taiwan	100	100

18. Equity-accounted investees

Interest in associates

	Group 2023 US$'000	Group 2022 US$'000
Interests in associates		
As at 31 December	38,022	53,806

The Group has a material associate, RA Solar Energy Holdings Inc. and its subsidiaries ("RSEHI"), and an immaterial associate which are equity accounted. RSEHI is based in Philippines, principally engaged in investment holding and owns 100% of Mirae Asia Energy Corporation ("Project Garcia"). The Group has one out of five representations in the board of directors of RSEHI. The Group has 99.91% economic interest in RSEHI which consist of 40% of voting shares and 99.91% of redeemable preferred shares ("RPS"). The RPS are non-convertible, non-voting and are redeemable at the sole option of RSEHI.

The Group has an effective economic interest of 99.97% in Project Garcia through its holdings in RSEHI and the immaterial associate.

18. Equity-accounted investees (cont'd)

Interest in associates (cont'd)

The following summarises the financial information of the Group's material associate based on the financial statements prepared in accordance with IFRS:

	RSEHI	
	2023	**2022**
	US$'000	US$'000
Statement of financial position		
Non-current assets		
Property, plant and equipment	20,189	21,629
Other non-current receivables	388	329
Non-current prepayment and other assets	31	31
Right-of-use assets	958	988
	21,566	22,977
Current assets		
Trade and other receivables	4,346	3,800
Prepayment and other assets	211	152
Cash and bank balances	1,347	1,146
	5,904	5,098
Total assets	27,470	28,075
Non-current liabilities		
Loans and borrowings	8,316	9,225
Employee benefits	18	22
Asset retirement obligation	165	150
Deferred tax liabilities	9	20
	8,508	9,417
Current liabilities		
Loans and borrowings	898	594
Trade and other payables	863	879
Current tax liabilities	39	431
	1,800	1,904
Total liabilities	10,308	11,321
Net assets	17,162	16,754

18. Equity-accounted investees (cont'd)

Interest in associates (cont'd)

	RSEHI	
	2023	**2022**
	US$'000	US$'000
Statement of comprehensive income		
Sale of energy	5,820	5,861
Other income	64	11
	5,884	5,872
Operating costs	(1,238)	(1,204)
Shared services costs	(217)	(200)
Depreciation expenses	(1,416)	(1,442)
Results from operating activities	3,013	3,026
Finance income	129	100
Finance costs	(599)	(728)
Net foreign exchange gain/(loss)	3	(262)
Net finance costs	(467)	(890)
Gain on disposal of equity-accounted investee	–	6,212
Share of results of an associate	–	293
Profit before tax	2,546	8,641
Tax expense	(235)	(1,736)
Profit after tax, representing total comprehensive income for the year	2,311	6,905

18. Equity-accounted investees (cont'd)

Interest in associates (cont'd)

	Group 2023 US$'000	Group 2022 US$'000
Carrying amount of interest in associates at beginning of the year	53,806	62,663
Share of results of associates	2,317	6,894
Distribution	(1,732)	(7,801)
Amortisation expenses & impairment of intangibles allocated to associates	(15,909)	(2,783)
Foreign currency translation difference on intangibles allocated to associates	(311)	(3,804)
Foreign currency translation differences	(144)	(1,363)
Remeasurement of defined benefit plan	(5)	–
Carrying amount of interest in associates at end of the year[1]	38,022	53,806

[1] Included in carrying amount of interest in associates at end of year is project related agreements and licenses amounting to US$20.0 million (2022: US$36.3 million).

19. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Group				
Derivatives	–	–	(736)	(115)
Provision	20	4	–	–
Other items	17	569	(9)	(1,085)
Tax loss carry-forwards	1,456	144	–	–
Deferred tax assets/(liabilities)	1,493	717	(745)	(1,200)
Set off of deferred tax	(745)	(717)	745	717
Net deferred tax assets/(liabilities)	748	–	–	(483)

Unrecognised deferred tax assets

Deferred tax assets on tax losses of US$4.4 million (2022: US$8.5 million) have not been recognised in respect of tax losses which are expected to expire or be utilised during such tax holiday period because it is not probable that future taxable profits will be available which the Group can utilise the benefits therefrom during such period.

19. Deferred tax (cont'd)

Movement in deferred tax balances

Group	Balance as at 1 January US$'000	Recognised in profit or loss (Note 13) US$'000	Exchange differences US$'000	Balance as at 31 December US$'000
2023				
Derivatives	(115)	(624)	3	(736)
Provision	4	15	1	20
Tax loss carry-forward	144	1,318	(6)	1,456
Other items	(516)	513	11	8
	(483)	1,222	9	748
2022				
Derivatives	45	(156)	(4)	(115)
Provision	5	–	(1)	4
Tax loss carry-forward	233	(68)	(21)	144
Other items	(165)	(368)	17	(516)
	118	(592)	(9)	(483)

20. Derivative assets

	Group 2023 US$'000	Group 2022 US$'000
Non-current		
Interest rate swaps	4,489	3,819

21. Trade and other receivables

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Trade receivables		5,701	–	–	–
Contract assets		5,495	59,032	–	–
Total current trade receivables and contract assets		11,196	59,032	–	–
Amounts due from:					
- Subsidiaries	(a)	–	–	9	15
- Related parties	(b)	330	2,905	–	–
- Third parties		1,246	449	–	–
Deposits and advances		7,682	4,048	–	–
VAT receivable		2,583	7,721	–	–
Total current other receivables		11,841	15,123	9	15
		23,037	74,155	9	15

(a) The amounts due from subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.

(b) The amounts due from related parties are non-trade, unsecured, non-interest bearing and repayable on demand.

22. Prepayments and other assets

	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Prepaid expenses	518	367	–	4
Other assets	4,929	1,242	–	–
	5,447	1,609	–	4

23. Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Bank balances	144,882	38,128	448	375
Cash and bank balances in the statement of financial position	144,882	38,128	448	375
Restricted bank balances and deposits	(10,031)	(11,031)	–	–
Cash and cash equivalents in the statement of cash flows	134,851	27,097	448	375

24. Loan receivables

	Group	
	2023	2022
	US$'000	US$'000
Current		
Loan receivables from a related party	5,973	–
Interest on loans receivables from a related party	13	–
	5,986	–

In 2023, the Group extended a loan to Vena Energy Holdings Pte. Ltd. (formerly known as Vena Energy Holdings Ltd) at an annual interest rate of 7.2%. The loan is unsecured, denominated in USD and would mature on 20 December 2024.

25. Equity contribution

	Group and Company	
	2023	2022
	US$'000	US$'000
Equity contribution		
Share capital (2022:US$0.01 per share)	125,497	1,254
Share premium	–	124,243
	125,497	125,497
	No. of ordinary shares	
Issued and fully paid		
At beginning and end of the year	125,497,349	125,497,349

25. Equity contribution (cont'd)

On 16 August 2023, the following transactions took place:

(a) The Company consolidated its 125,497,349 issued ordinary shares each with a par value of US$0.01 at a ratio of 100:1, effectively reducing the number of issued shares to 1,254,973 each with a par value of US$1.00; and

(b) The Company issued 124,242,376 shares from the share premium of US$124.2 million to its shareholder.

Ordinary shares

The holder of ordinary shares is entitled to receive dividend declared by the Company and is entitled to one vote per share at general meetings of the Company. Prior to the domiciliation from Cayman Islands to Singapore, the Company had fully reclassified the share premium to share capital through the issuance of new shares, as described above. Pursuant to the Act, there is no par value concept in Singapore and accordingly ordinary shares issued as at 31 December 2023 have no par value.

26. Reserves

The reserves of the Group comprise the following balances:

	Group	
	2023	**2022**
	US$'000	US$'000
Translation reserve	(23,034)	(19,705)
Legal reserve	2,870	692
Defined benefit reserve	(5)	–
	(20,169)	(19,013)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Legal reserve

The Taiwan Companies Act requires that for profit-making Taiwan registered companies, 10% of the profits shall be kept as a reserve which is non distributable. The legal reserve will be capped at amount equivalent to authorised share capital.

Defined benefit reserve

The defined benefit reserve comprises actuarial gains and losses and the return on plan assets (excluding interest).

27. Loans and borrowings and lease liabilities

	Note	Group		Company	
		2023	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
Non-current					
Project finance debts		337,508	306,811	–	–
Loan from a related party		100,268	85,400	100,268	85,400
Loan from Euro Medium Term Note Issuer	(a)	13,845	29,595	13,845	29,595
		451,621	421,806	114,113	114,995
Lease liabilities		83,556	76,347	–	–
Current					
Project finance debts		21,512	22,730	–	–
Loan from a related party		4,670	–	–	–
Interest payables on:					
- Project finance debts		310	277	–	–
- Loan from related parties		3,490	2,358	3,478	2,358
- Loan from Euro Medium Term Note Issuer		57	122	57	122
		30,039	25,487	3,535	2,480
Lease liabilities		4,257	3,404	–	–

(a) On 27 February 2020, a related company, Vena Energy Capital Pte. Ltd. ("Euro Medium Term Note Issuer"), issued US$325,000,000 3.133% per annum notes (the "US$325 million Notes") due in 2025 listed on Singapore Exchange Securities Trading Limited ("SGX-ST") under a US$1 billion Global Medium Term Note Programme (the "Notes Programme"). The US$325 million Notes bear interest at the rate of 3.133% per annum from and including 26 February 2020, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2020.

On 8 July 2021, the Euro Medium Term Note Issuer issued US$175,000,000 3.133% per annum notes ("the "US$175 million Notes") due in 2025 listed on the SGX-ST under the Notes Programme. The US$175 million Notes were issued at a premium for a total consideration of US$178,638,250. The US$175 million Notes are to be consolidated and form a single series with the US$325 million Notes (collectively, the "Notes"). The Notes bear interest at the rate of 3.133% per annum from and including 26 February 2021, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2021. The Notes will mature on 26 February 2025.

27. Loans and borrowings and lease liabilities (cont'd)

(a) (cont'd)

The Euro Medium Term Notes proceeds were allocated to the Company, Vena Energy Holdings Pte. Ltd. (formerly known as Vena Energy Holdings Ltd) and Zenith Japan Holdings Ltd (as trustee for Zenith Japan Holdings Trust) through intercompany loans.

The due and punctual payment of all sums payable by Vena Energy Capital Pte. Ltd. from time to time in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Company together with Vena Energy Holdings Pte. Ltd. (formerly known as Vena Energy Holdings Ltd) and Zenith Japan Holdings Ltd (as trustee for Zenith Japan Holdings Trust).

The below table shows the notional amount of the outstanding loans and borrowings not including transaction costs.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Non-current				
Project finance debts	341,817	311,558	–	–
Loan from a related party	100,268	85,400	100,268	85,400
Loan from Euro Medium Term Note Issuer	13,950	29,791	13,950	29,791
	456,035	426,749	114,218	115,191
Current				
Project finance debts	22,752	24,047	–	–
Loan from a related party	4,670	–	–	–
	27,422	24,047	–	–
	483,457	450,796	114,218	115,191

27. Loans and borrowings and lease liabilities (cont'd)

	Currency	**Nominal interest rate %**	**Year of maturity**	**Principal amount** US$'000
2023				
Project finance debts	NTD	TAIBOR+1.5 to 1.7	2033 to 2040	364,569
Loan from a related party	JPY	1.4	2025	100,268
Loan from a related party	USD	1.0	2024	4,670
Loan from Euro Medium Term Note Issuer	JPY	1.4	2026	11,322
Loan from Euro Medium Term Note Issuer	JPY	0.6	2026	2,628
				483,457
2022				
Project finance debts	NTD	TAIBOR+1.5 to 1.7	2033 to 2040	335,605
Loan from a related party	JPY	1.4	2024	85,400
Loan from Euro Medium Term Note Issuer	JPY	1.4	2026	24,178
Loan from Euro Medium Term Note Issuer	USD	0.6	2026	5,613
				450,796

The project finance debts contain debt covenants which are tested on a regular basis. A breach of these covenants may require the Group to repay the project finance debts earlier than indicated in the table above. The Group has not breached any debt covenants as at 31 December 2023.

As at 31 December 2022, a subsidiary of the Group did not meet the loan covenant requirements in respect of a bank loan with a carrying amount of US$9.0 million, resulting in the loan being repayable on demand. Accordingly, the bank loan has been presented as a current liability as at 31 December 2022. During the current financial year, the subsidiary and relevant bank have agreed to revise the covenant requirements. Consequently, the breach was rectified and as at 31 December 2023, the Group has assessed that the revised loan covenants have been complied with and the bank loan was re-classified as a non-current liability.

As at 31 December 2023, project finance debts amounting to US$364.6 million (2022: US$335.6 million) has been taken up by the subsidiaries of the Company where these debt obligations have no recourse to the Company.

27. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities				
	Loan from related parties	**Loan from Euro Medium Term Note Issuer**	**Project finance debts**	**Lease liabilities**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2023	87,758	29,717	329,818	79,751	527,044
Changes from financing cash flows					
Proceeds	31,057	–	52,164	–	83,221
Repayment	(23,226)	–	(15,587)	–	(38,813)
Payment for financial lease liabilities	–	–	–	(3,101)	(3,101)
Transaction costs related to loans and borrowings	–	–	(54)	–	(54)
Interest paid	–	(356)	(9,393)	(2,546)	(12,295)
Total changes after financing cash flows	95,589	29,361	356,948	74,104	556,002
Effect of change in foreign exchange rate	(1,692)	(2,537)	(9,125)	(1,637)	(14,991)
Other changes					
New leases	–	–	–	12,784	12,784
Transfer of loan[1]	13,212	(13,212)	–	–	–
Interest expense	1,319	290	11,507	2,562	15,678
Total liability-related other changes	14,531	(12,922)	11,507	15,346	28,462
Balance at 31 December 2023	108,428	13,902	359,330	87,813	569,473

[1] In September 2023, the amount previously due from the Company to the Euro Medium Term Note Issuer, Vena Energy Capital Pte. Ltd. ("VECPL"), of US$13.2 million was transferred to VEHPL as a result of an offsetting agreement between VECPL and VEHPL.

27. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities				
	Loan from a related party	**Loan from Euro Medium Term Note Issuer**	**Project finance debts**	**Lease liabilities**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2022	124,224	34,524	207,958	90,403	457,109
Changes from financing cash flows					
Proceeds	254,151	–	157,626	–	411,777
Repayment	(270,042)	(129)	(6,367)	–	(276,538)
Payment for financial lease liabilities	–	–	–	(2,489)	(2,489)
Transaction costs related to loans and borrowings	–	–	(3,179)	–	(3,179)
Interest paid	–	(454)	(7,664)	(1,901)	(10,019)
Total changes after financing cash flows	108,333	33,941	348,374	86,013	576,661
Effect of change in foreign exchange rate	(22,104)	(4,615)	(25,622)	(7,578)	(59,919)
Other changes					
New leases	–	–	–	331	331
Interest expense	1,529	391	7,066	985	9,971
Total liability-related other changes	1,529	391	7,066	1,316	10,302
Balance at 31 December 2022	87,758	29,717	329,818	79,751	527,044

<u>Pledges for facility agreements</u>

The Group has entered into several facilities agreements with various financial institutions. Under these agreements, these financial institutions provide project financing debts of US$364.6 million (2022: US$335.6 million) to the Group on floating rates.

The obligations of the Group to the banks are collateralised by the pledges of all the shares of the project entities and liens on and security interests in substantially all of the project entities' assets, its rights under various agreements, all of the project entities' revenues and all insurance proceeds payable to the project entities and require the project entities to comply with various administrative requirements.

27. Loans and borrowings and lease liabilities (cont'd)

The Group's assets directly pledged in relation to the facilities agreements are as disclosed in Note 14. The indirect pledge over the Group's consolidated net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	2023 US$'000	**2022** US$'000
Project entities' contribution to the net assets of the Group	137,167	132,285

Stand-by letter of credit

As at 31 December 2023, there were no stand-by letters of credit ("SBLC") obtained.

As at 31 December 2022, the Group had obtained SBLC which totaled to US$9.6 million and expired in April 2023. The SBLC bore interest at 0.95% per annum.

28. Asset retirement obligation

	Group	
	2023 US$'000	**2022** US$'000
At 1 January	6,971	1,829
Provision made during the year	–	5,196
Unwind of discount	172	126
Effect of exchange rate changes	(141)	(180)
At 31 December	7,002	6,971

The Group has recorded asset retirement obligation primarily associated with the estimated cost to reinstate sites involved in power generation.

Due to the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the sites will be restored using technology and materials that are available currently. The provision has been calculated using a discount rate of 2.5% (2022: 2.5%), which is the risk-free rate in the jurisdiction of the liability. The management expects cash outflows between 25 to 28 years (2022: 25 to 28 years) after the commissioning of the power plants.

29. Trade and other payables

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Non-current					
Accrued staff cost		271	–	–	–
Current					
Trade payables to Engineering, Procurement, Construction ("EPC") contractors		26	14,430	–	–
Amounts due to:					
- Subsidiaries	(a)	–	–	22,670	22,449
- Related parties	(b)	209	5,358	706	50
- Third parties		988	1,095	–	–
Shared services fees payable (non-trade)		4,219	5,644	–	–
Other tax payables		461	607	–	–
Accrued staff costs		101	22	–	–
Accrued operating expenses		24,466	16,890	137	40
		30,470	44,046	23,513	22,539
Total trade and other payable		30,741	44,046	23,513	22,539

Trade payables are non-interest bearing and are generally settled on standard credit terms ranging from 30 to 60 days (2022: 30 to 60 days).

(a) The amounts due to subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.

(b) The amounts due to related parties are non-trade, unsecured, non-interest bearing and repayable on demand.

30. Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

The Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and other receivables.

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company does not hold any collateral in respect of its financial assets.

Trade receivables and contract assets

The Group's customers comprise mainly government or quasi-government offtakers of electricity, and a small number of private offtakers. Exposure to credit risk is influenced mainly by the individual characteristics of the offtaker and/or the government entity supporting the offtaker.

Most of the Group's customers have been transacting with the respective Group Entities for over 1 year, and no impairment loss has been recognised against these customers.

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Trade receivables and contract assets (cont'd)

Exposure to credit risk

The maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

	Carrying amount	
	2023	**2022**
	US$'000	US$'000
Taiwan	11,196	59,032

The Group has determined its trade receivables and contract assets to be not credit impaired and ECL is insignificant at the end of the reporting period. Accordingly, no loss allowance was recorded as at 31 December 2023 and 2022.

At 31 December 2023, the Group's outstanding trade receivables and contract assets comprise of 2 customers which account for 100% (2022: 100%) of the balance.

Expected credit loss assessment for trade receivables and contract assets

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and loss rate up to 0.42% (2022: up to 0.43%).

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

There was no significant movement in the allowance for impairment in respect of trade receivables and contract assets during the year.

Other receivables

Other receivables comprise mainly balances due from affiliates of the Group to which the Group has provided short term liquidity for strategic purposes.

Most of the Group's counterparties have been transacting with the respective Group entities for over 1 year, and no impairment loss has been recognised against these counterparties.

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for other receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and loss rate up to 0.42% (2022: up to 0.43%).

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date is the carrying value of other receivables disclosed in Note 21. As of 31 December 2023 and 2022, there were no balance assessed to be credit-impaired. The Group does not require collateral in respect of other receivables.

There was no significant movement in the allowance for impairment in respect of other receivables during the year.

Cash and bank balances

The Group and the Company held cash and bank balances of US$144.9 million and US$0.4 million respectively at 31 December 2023 (2022: US$38.1 million and US$0.4 million). The balances represent the Group and Company's maximum credit exposures on these assets. The cash and bank balances are held with bank and financial institution counterparties which are rated BBB+ to AA- (2022: BBB+ to AA-), based on S&P Global ratings and B3 to Aa3 (2022: B3 to Aa3), based on Moody Corporation ratings.

Impairment on cash and bank balances has been measured on the 12-month ECL basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties and subject to an ECL that is immaterial.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, include contractual interest payments.

	Contractual cash flows US$'000	12 months or less US$'000	1-2 years US$'000	2-5 years US$'000	More than 5 years US$'000
Group					
31 December 2023					
Non-derivative financial liabilities					
Project finance debts	(365,981)	(30,859)	(1,102)	(24,010)	(310,010)
Loan from related parties	(107,819)	(4,844)	(102,975)	–	–
Loan from Euro Medium Term Note Issuer	(14,552)	(228)	(187)	(14,137)	–
Lease liabilities	(109,682)	(8,728)	(6,243)	(18,587)	(76,124)
Trade and other payables*	(30,280)	(30,280)	–	–	–
	(628,314)	(74,939)	(110,507)	(56,734)	(386,134)
31 December 2022					
Non-derivative financial liabilities					
Project finance debts	(335,883)	(24,324)	(7,984)	(24,504)	(279,071)
Loan from a related party	(91,217)	(3,511)	(87,706)	–	–
Loan from Euro Medium Term Note Issuer	(31,076)	(487)	(399)	(30,190)	–
Lease liabilities	(98,628)	(5,200)	(5,185)	(15,555)	(72,688)
Trade and other payables*	(43,439)	(43,439)	–	–	–
	(600,243)	(76,961)	(101,274)	(70,249)	(351,759)

* Excludes non-financial liabilities

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

Company	**Contractual cash flows** US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000	**More than 5 years** US$'000
31 December 2023					
Non-derivative financial liabilities					
Loan from a related party	(107,807)	(4,832)	(102,975)	–	–
Loan from Euro Medium Term Note Issuer	(14,552)	(228)	(187)	(14,137)	–
Trade and other payables*	(23,513)	(23,513)	–	–	–
	(145,872)	(28,573)	(103,162)	(14,137)	–
31 December 2022					
Non-derivative financial liabilities					
Loan from a related party	(91,217)	(3,511)	(87,706)	–	–
Loan from Euro Medium Term Note Issuer	(31,076)	(487)	(399)	(30,190)	–
Trade and other payables*	(22,539)	(22,539)	–	–	–
	(144,832)	(26,537)	(88,105)	(30,190)	–

* Excludes non-financial liabilities

Market risk

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

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currency of Group entities. The Group ensures that the net exposure to foreign currency risk is monitored on an ongoing basis and the Company endeavors to keep the net exposure at an acceptable level.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	JPY US$'000	**SGD** US$'000	**USD** US$'000	**Others** US$'000
Group				
31 December 2023				
Trade and other receivables	–	387	–	–
Cash and bank balances	–	–	11,432	–
Loan from a related party	(103,746)	–	–	–
Loan from Euro Medium Term Note Issuer	(13,902)	–	–	–
Trade and other payables	–	(354)	(754)	(8)
Net exposure	(117,648)	33	10,678	(8)
31 December 2022				
Trade and other receivables	–	345	6	–
Cash and bank balances	–	–	2,343	–
Loan from a related party	(87,758)	–	–	–
Loan from Euro Medium Term Note Issuer	(29,717)	–	–	–
Trade and other payables	–	(1,794)	(1,914)	–
Net exposure	(117,475)	(1,449)	435	–

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Currency risk (cont'd)

Exposure to currency risk (cont'd)

	JPY US$'000	SGD US$'000	USD US$'000	Others US$'000
Company				
31 December 2023				
Loan from a related party	(103,746)	–	–	–
Loan from Euro Medium Term Note Issuer	(13,902)	–	–	–
Trade and other payables	–	(1)	–	–
Net exposure	(117,648)	(1)	–	–
31 December 2022				
Loan from a related party	(87,758)	–	–	–
Loan from Euro Medium Term Note Issuer	(29,717)	–	–	–
Trade and other payables	–	(50)	–	–
Net exposure	(117,475)	(50)	–	–

Sensitivity analysis

A 5% strengthening of the dollar against the respective currencies at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
31 December 2023				
JPY (5% strengthening)	5,882	5,874	5,882	5,874
SGD (5% strengthening)	(2)	72	–	3
USD (5% strengthening)	(534)	(22)	–	–
Others (5% strengthening)	–*	–	–	–

* Amount less than US$1,000

In the case of a 5% weakening of the dollar against the respective currencies, the effects are equal but with an opposite effect.

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Interest rate risk

Interest rate risk refers to the risk faced by the Group as a result of fluctuations in interest rates. The Group manages some of its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Group has exposures to IBORs on its financial instruments that may be replaced or reformed as part of these market-wide initiatives. The Group's main IBOR exposure at 31 December 2023 was indexed to the Taipei IBOR ("TAIBOR").

The Directors monitor and manage the Group's transition to alternative rates. The Board evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

There have been no announcements on TAIBOR reform, and the Group expects TAIBOR will continue to exist as a benchmark rate for the foreseeable future. The total notional amounts of the TAIBOR indexed loans and borrowings as at 31 December 2023 is US$364.6 million (2022: US$335.6 million) (Note 27).

Exposure to interest rate risk

At the reporting date, the notional amounts of variable rate interest-bearing financial assets and liabilities that are subject to interest rate risk were as follows:

	Group Notional amount		Company Notional amount	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Financial liabilities	(364,569)	(335,605)	–	–
Interest rate swaps	231,622	220,832	–	–
	(132,947)	(114,773)	–	–

30. Financial instruments (cont'd)

Financial risk management (cont'd)

Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit before tax	
	100 bp increase US$'000	**100 bp decrease** US$'000
Group		
31 December 2023		
Variable rate instruments	(3,646)	3,646
Interest rate swaps	2,316	(2,316)
Cash flow sensitivity (net)	(1,330)	1,330
31 December 2022		
Variable rate instruments	(3,356)	3,356
Interest rate swaps	2,208	(2,208)
Cash flow sensitivity (net)	(1,148)	1,148

Capital management

The Group's objective in managing capital is to ensure a stable and strong capital base to maximise returns for its shareholders.

The Group defines capital as including all components of equity. The Group's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the Directors' fiduciary duties towards the Group.

The Group is not subject to externally imposed capital requirements.

31. Fair value of financial instruments

Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Group measures instruments quoted in an active market at mid-price.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

31. Fair value of financial instruments (cont'd)

Fair value measurement (cont'd)

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Interest rate swaps	*Swap models:* The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

Type	Valuation technique
Group	
Loans and borrowings	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

Accounting classification and fair value

The following table summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Additionally, it excludes fair value information for lease liabilities as it is not required.

At the reporting date, the fair values of trade and other receivables, restricted cash, cash and bank balances, loan receivables and trade and other payables are equivalent to the carrying amounts shown in the statement of financial position due to the short-term maturity of these financial instruments.

31. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	**Mandatorily at FVTPL** US$'000	**Amortised Cost** US$'000	**Other financial liabilities** US$'000	**Total** US$'000	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
Group									
31 December 2023									
Trade and other receivables*	21	–	20,454	–	20,454				
Cash and cash balances	23	–	144,882	–	144,882				
Loan receivables	24	–	5,986	–	5,986				
Derivatives assets	20	4,489	–	–	4,489	–	4,489	–	4,489
		4,489	171,322	–	175,811				
Loans and borrowings	27	–	–	(481,660)	(481,660)	–	(487,314)	–	(487,314)
Trade and other payables*	29	–	–	(30,280)	(30,280)				
		–	–	(511,940)	(511,940)				

* Excludes non-financial assets and liabilities

31. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	**Mandatorily at FVTPL** US$'000	**Amortised Cost** US$'000	**Other financial liabilities** US$'000	**Total** US$'000	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
Group									
31 December 2022									
Trade and other receivables*	21	–	66,434	–	66,434				
Cash and cash balances	23	–	38,128	–	38,128				
Derivatives assets	20	3,819	–	–	3,819	–	3,819	–	3,819
		3,819	104,562	–	108,381				
Loans and borrowings	27	–	–	(447,293)	(447,293)	–	(453,553)	–	(453,553)
Trade and other payables*	29	–	–	(43,439)	(43,439)				
		–	–	(490,732)	(490,732)				

* Excludes non-financial assets and liabilities

31. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised Cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Company									
31 December 2023									
Trade and other receivables	21	–	9	–	9				
Cash and bank balances	23	–	448	–	448				
		–	457	–	457				
Loans and borrowings	27	–	–	(117,648)	(117,648)	–	(117,753)	–	(117,753)
Trade and other payables*	29	–	–	(23,513)	(23,513)				
		–	–	(141,161)	(141,161)				

* Excludes non-financial assets and liabilities

31. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised Cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Company									
31 December 2022									
Trade and other receivables		–	15	–	15				
Cash and bank balances	23	–	375	–	375				
		–	390	–	390				
Loans and borrowings	26	–	–	(117,475)	(117,475)	–	(117,671)	–	(117,671)
Trade and other payables*	28	–	–	(22,539)	(22,539)				
		–	–	(140,014)	(140,014)				

* Excludes non-financial assets and liabilities

32. Commitments

Capital commitment

The commitments for acquisition of property, plant and equipment as at 31 December is as follows:

	Group	
	2023	**2022**
	US$'000	US$'000
Construction of power plant	6,187	15,844

33. Related parties

The Group has determined Vena Energy Holdings Pte. Ltd. (formerly known as Vena Energy Holdings Ltd) and its subsidiaries ("VEHPL Group"), Zenith Japan Holdings Trust and its subsidiaries ("ZJHT Group") as related parties in accordance with IAS 24 *Related Party Disclosures*.

During the year, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial year:

	Group	
	2023	**2022**
	US$'000	US$'000
Related parties		
Development service fee income	870	–
Interest expenses	1,319	1,529
Management fee	166	237
Shared services costs	10,969	8,772
Euro Medium Term Note Issuer		
Interest expenses	290	391

34. Acquisition of non-controlling interests

On 25 April 2022, the Group acquired an additional 30% interest in the voting shares of Vena Energy Taiwan Solar Energy Ltd, increasing its ownership interest to 100%. Cash consideration of US$11.6 million was paid to the non-controlling shareholders. Following is a schedule of additional interest acquired in Vena Energy Taiwan Solar Energy Ltd:

	2022 US$'000
Cash consideration paid	11,600
Carrying value of the additional interest	(5,388)
Difference recognised in equity	6,212

35. Subsequent event

Amendment to existing revolving credit facilities agreement

On 24 January 2024, Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd., and Zenith Japan Holdings Trust ("collectively Borrowers") amended and restated the terms of their existing JPY52.8 billion (approximately US$364 million) corporate revolving credit facility (the "RCF"). The total commitment of the RCF has been expanded to JPY87.0 billion (approximately US$600 million) and it has a tenor of 5 years. The margin of the RCF is set at 1.0% with the potential to accomplish a further margin reduction if certain sustainability-related key performance indicators ("KPIs") are jointly achieved, or a margin increase in case all the KPIs are jointly missed.

36. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 10 May 2024.

Zenith Japan Holdings Trust and its Subsidiaries

Annual Report
For the year ended 31 December 2023

Zenith Japan Holdings Trust and its Subsidiaries

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Zenith Japan Holdings Trust and its Subsidiaries

Statement by Directors of the Trustee

Opinion of the Directors

In the opinion of the Directors of Zenith Japan Holdings Ltd (the "Trustee"):

(a) the accompanying financial statements of Zenith Japan Holdings Trust (the "Trust") and its subsidiaries (collectively, the "Group"), comprising the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2023, the consolidated statements of profit or loss, comprehensive income, changes in unitholder's fund and cash flows of the Group, and the statements of profit or loss, other comprehensive income, changes in unitholder's fund and cash flows of the Trust for the year then ended, and notes to the financial statements, including material accounting policy information, are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2023, and the consolidated financial performance, changes in unitholder's fund and cash flows of the Group and the financial performance, changes in unitholder's fund and cash flows of the Trust for the year ended on that date in accordance with the International Financial Reporting Standards ("IFRS"); and

(b) at the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors of the Trustee,

DocuSigned by:
Gregg Myers
54143219ADB2446...

Gregg Myers
Director

10 May 2024

Zenith Japan Holdings Trust and its Subsidiaries

Independent Auditor's Report
For the year ended 31 December 2023

The Trustee of Zenith Japan Holdings Trust

Report on the non-statutory financial statements

Opinion

We have audited the accompanying non-statutory financial statements of Zenith Japan Holdings Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2023, the consolidated statements of profit or loss, comprehensive income, changes in unitholder's fund and cash flows of the Group and the statements of profit or loss, comprehensive income, changes in unitholder's fund and cash flows of the Trust for the year then ended, and notes to the non-statutory financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying non-statutory financial statements present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2023, the Group's consolidated financial performance, changes in equity and cash flows, and the Trust's financial performance, changes in unitholder's fund and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the non-statutory financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the non-statutory financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the non-statutory financial statements, which describes the basis of preparation. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the non-statutory financial statements used by the Board of Directors to discharge its fiduciary duties. Our report will be made available by you to the existing bondholders and the potential bond investors for their information only. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report. Our opinion is not modified in respect of this matter.

Other information

The Trustee's management (thereafter "management") is responsible for the other information. The other information obtained at the date of this auditor's report is the statement by the Directors of the Trustee, but does not include the non-statutory financial statements and our auditor's report thereon.

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

In connection with our audit of the non-statutory financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Board of Directors for the non-statutory financial statements

Management is responsible for the preparation and fair presentation of these non-statutory financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

Auditor's responsibilities for the audit of the non-statutory financial statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the non-statutory financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the non-statutory financial statements (cont'd)

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

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

10 May 2024

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Profit or Loss
For the year ended 31 December 2023

	Note	Group		Trust	
		2023 US$'000	**2022** US$'000	**2023** US$'000	**2022** US$'000
Revenue	4	108,738	144,502	–	10,036
Other income	4	3,914	7,044	–	–
Total revenue		112,652	151,546	–	10,036
Operating costs	5	(21,173)	(27,928)	(332)	(186)
Asset management fees	6	(2,209)	(4,172)	–	–
Development costs	7	(309)	(1,219)	–	–
Depreciation expense	11,12	(24,660)	(42,784)	–	–
Amortisation expense	13	(16,474)	(32,604)	–	–
Results from operating activities		47,827	42,839	(332)	9,850
Finance income	8	2,045	1,223	2,003	1,137
Finance costs	8	(11,507)	(15,303)	(1,858)	(2,902)
Change in fair value of financial instruments at fair value through profit or loss ("FVTPL")		(19,956)	28,118	–	–
Net foreign exchange (loss)/gain		(11,361)	16,425	(12,671)	14,262
Net finance (loss)/income		(40,779)	30,463	(12,526)	12,497
Impairment loss on financial assets	10	–	(385)	–	–
Gain from transfer of Tokumei Kumiai ("TK") interests		1,633	–	–	–
Gain/(loss) on disposal of property, plant and equipment		73	(520)	–	–
Write-off of property, plant and equipment		–	(7,738)	–	–
Write-off of project costs		–	(1,766)	–	–
Bad debts written off		–	(187)	–	–
Share of results of equity-accounted investees, net of tax	15	6,173	8,936	–	–
Profit/(loss) before tax		14,927	71,642	(12,858)	22,347
Tax expense	9	(2,279)	(3,364)	–	–
Profit/(loss) for the year		12,648	68,278	(12,858)	22,347
Profit attributable to:					
Unitholder of the Trust		12,454	67,761		
Non-controlling interests		194	517		
		12,648	68,278		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Comprehensive Income
For the year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000	Trust 2023 US$'000	Trust 2022 US$'000
Profit/(loss) for the year		12,648	68,278	(12,858)	22,347
Other comprehensive income ("OCI")					
Items that will not be reclassified subsequently to profit or loss					
Net fair value loss on equity investments designated at fair value through other comprehensive income ("FVOCI")		(1,857)	–	–	–
		(1,857)	–	–	–
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(112,188)	(243,458)	–	–
Foreign currency translation differences on transfer of TK interests reclassified to profit and loss	14	394,807	–	–	–
Foreign currency translation differences of equity-accounted investees	15	(7,043)	(8,470)	–	–
Foreign currency translation differences on transfer of TK interests in equity-accounted investees reclassified to profit and loss	15	13,787	–	–	–
		289,363	(251,928)	–	–
Other comprehensive income for the year		300,154	(251,928)	–	–
Total comprehensive income for the year		300,154	(183,650)	(12,858)	22,347
Total comprehensive income attributable to:					
Unitholders of the Trust		301,256	(181,944)		
Non-controlling interests		(1,102)	(1,706)		
		300,154	(183,650)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Financial Position
As at 31 December 2023

	Note	Group		Trust	
		2023	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	134	1,399,389	–	–
Right-of-use assets	12	–	216,297	–	–
Intangible assets	13	–	990,019	–	–
Investment in subsidiaries	14	–	–	2,330	1,729,716
Equity-accounted investees	15	19,089	67,945	–	–
Other investments	16	69,558	–	–	–
Loans receivables	17	–	180,459	–	180,459
Prepayments and other assets	18	–	5,289	–	–
Trade and other receivables	19	–	42,046	–	–
Derivative assets	20	–	18,146	–	–
		88,781	2,919,590	2,330	1,910,175
Current assets					
Loans receivables	17	–	161	–	161
Prepayments and other assets	18	21	8,055	–	–
Trade and other receivables	19	994	44,179	–	–
Cash and bank balances	21	9,657	177,335	8,959	23,267
		10,672	229,730	8,959	23,428
Total assets		99,453	3,149,320	11,289	1,933,603
Unitholder's fund					
Units in issue	22	1,240	1,712,182	1,240	1,712,182
Accumulated profits		94,419	106,965	1,799	39,657
Reserves	23	(6,896)	(295,698)	–	–
Equity attributable to unitholder of the Trust		88,763	1,523,449	3,039	1,751,839
Non-controlling interests	31	(2)	16,433	–	–
Total unitholder's fund		88,761	1,539,882	3,039	1,751,839

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Financial Position (cont'd)
As at 31 December 2023

	Note	Group		Trust	
		2023	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
LIABILITIES					
Non-current liabilities					
Loans and borrowings	24	7,853	1,150,171	7,853	181,057
Lease liabilities	24	–	215,042	–	–
Asset retirement obligation	25	–	54,350	–	–
Trade and other payables	26	–	514	–	–
		7,853	1,420,077	7,853	181,057
Current liabilities					
Loans and borrowings	24	34	107,442	34	642
Lease liabilities	24	–	5,325	–	–
Trade and other payables	26	2,804	76,502	363	65
Current tax liabilities		1	92	–	–
		2,839	189,361	397	707
Total liabilities		10,692	1,609,438	8,250	181,764
Total equity and liabilities		99,453	3,149,320	11,289	1,933,603

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Changes in Unitholder's Fund
For the year ended 31 December 2023

Group	Note	Units in issue US$'000	Accumulated profits US$'000	Fair value reserves US$'000	Translation reserves US$'000	Total US$'000	Non-controlling interests US$'000	Total US$'000
		Attributable to unitholder of the Trust						
At 1 January 2023		1,712,182	106,965	–	(295,698)	1,523,449	16,433	1,539,882
Total comprehensive income for the year								
Profit for the year		–	12,454	–	–	12,454	194	12,648
Other comprehensive income								
Foreign currency translation differences		–	–	–	(110,892)	(110,892)	(1,296)	(112,188)
Foreign currency translation differences on transfer of TK interests reclassified to profit and loss	14	–	–	–	394,807	394,807	–	394,807
Foreign currency translation differences of equity-accounted investees	15	–	–	–	(7,043)	(7,043)	–	(7,043)
Foreign currency translation differences on transfer of TK interests in equity-accounted investees reclassified to profit and loss	15	–	–	–	13,787	13,787	–	13,787
Net fair value loss on equity investments designated at FVOCI		–	–	(1,857)	–	(1,857)	–	(1,857)
Total comprehensive income for the year		–	12,454	(1,857)	290,659	301,256	(1,102)	300,154

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Changes in Unitholder's Fund (cont'd)
For the year ended 31 December 2023

Group	Note	Attributable to unitholder of the Trust						
		Units in issue US$'000	**Accumulated profits** US$'000	**Fair value reserves** US$'000	**Translation reserves** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total** US$'000
Transactions with unitholder, recognised directly in equity								
Distributions to unitholder								
Redemption of units		(1,710,942)	(25,000)	–	–	(1,735,942)	–	(1,735,942)
Changes in ownership interests in subsidiaries								
Issue of ordinary shares without a change in control		–	–	–	–	–	464	464
Transfer of TK interests with non-controlling interests	14	–	–	–	–	–	(15,797)	(15,797)
Total transactions with unitholder		(1,710,942)	(25,000)	–	–	(1,735,942)	(15,333)	(1,751,275)
At 31 December 2023		1,240	94,419	(1,857)	(5,039)	88,763	(2)	88,761

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Changes in Unitholder's Fund (cont'd)
For the year ended 31 December 2023

		Attributable to unitholder of the Trust					
Group	**Note**	**Units in issue** US$'000	**Accumulated profits** US$'000	**Translation reserves** US$'000	**Total** US$'000	**Non-controlling interests** US$'000	**Total** US$'000
At 1 January 2022		1,712,182	39,204	(45,993)	1,705,393	15,884	1,721,277
Total comprehensive income for the year							
Profit for the year		–	67,761	–	67,761	517	68,278
Other comprehensive income							
Foreign currency translation differences		–	–	(241,235)	(241,235)	(2,223)	(243,458)
Foreign currency translation differences of equity-accounted investees	15	–	–	(8,470)	(8,470)	–	(8,470)
Total comprehensive income for the year		–	67,761	(249,705)	(181,944)	(1,706)	(183,650)
Transactions with unitholder, recognised directly in equity							
Changes in ownership interests in subsidiaries							
Issue of ordinary shares without a change in control		–	–	–	–	2,255	2,255
Total transactions with unitholder		–	–	–	–	2,255	2,255
At 31 December 2022		1,712,182	106,965	(295,698)	1,523,449	16,433	1,539,882

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Unitholder's Fund (cont'd)
For the year ended 31 December 2023

Trust	**Units in issue** US$'000	**Accumulated profits** US$'000	**Total** US$'000
At 1 January 2023	1,712,182	39,657	1,751,839
Total comprehensive income for the year	–	(12,858)	(12,858)
Transactions with unitholder, recognised directly in equity			
Redemption of units	(1,710,942)	–	(1,710,942)
Dividends	–	(25,000)	(25,000)
Total transactions with unitholder	(1,710,942)	(25,000)	(1,735,942)
At 31 December 2023	1,240	1,799	3,039
At 1 January 2022	1,712,182	17,310	1,729,492
Total comprehensive income for the year	–	22,347	22,347
At 31 December 2022	1,712,182	39,657	1,751,839

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Cash Flows
For the year ended 31 December 2023

Group	**Note**	**2023** US$'000	**2022** US$'000
Cash flows from operating activities			
Profit before tax		14,927	71,642
Adjustments for:			
Dividend income		(1,000)	–
Depreciation expense	11,12	24,660	42,784
Amortisation expense	13	16,474	32,604
Write-off of property, plant and equipment		–	7,738
(Gain)/loss on disposal of property, plant and equipment		(73)	520
Write-off of project costs*		–	1,766
Net changes in fair value of financial instruments at FVTPL		19,956	(28,118)
Gain on transfer of TK interests		(1,633)	–
Finance income	8	(2,045)	(1,223)
Finance costs	8	11,507	15,303
Impairment loss on financial assets	10	–	385
Bad debts written off		–	187
Unrealised foreign exchange (loss)/gain		6,674	(14,028)
Share of results of equity-accounted investees, net of tax	15	(6,173)	(8,936)
		83,274	120,624
Changes in:			
- Trade and other receivables		14,483	(12,040)
- Prepayments and other assets		7,347	(2,961)
- Trade and other payables		(29,199)	(6,205)
Cash generated from operating activities		75,905	99,418
Tax paid		(2,370)	(3,871)
Net cash generated from operating activities		73,535	95,547
Cash flows from investing activities			
Transfer of TK interests, net	14	(70,131)	–
Investment in equity-accounted investees	15	(1,764)	(10,678)
Disbursement from equity-accounted investees	15	2,999	–
Investment in equity investments	28	(28,914)	–
Disbursement of equity investment		8,055	–
Purchase of property, plant and equipment	11	(83,423)	(335,281)
Disbursement of loan to related party		(149,067)	(263,524)
Proceeds from repayment of loans receivable from related party		106,717	129,232
Proceeds from disposal of property, plant and equipment		335	2,362
Interest received from loan to related party		2,102	1,390
Net cash used in investing activities		(213,091)	(476,499)

* In 2022, included US$5.0 million write-off of property, plant and equipment (Note 11), US$2.9 million written off of intangible assets (Note 13), and US$ 5.7 million write back of trade and other payables.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Cash Flows (cont'd)
For the year ended 31 December 2023

Group	**Note**	**2023** US$'000	**2022** US$'000
Cash flows from financing activities			
Subscriptions received from NCI		464	2,255
Proceeds from drawdown of loans and borrowings:			
- Project finance debts	24	202,275	505,900
- Loan from related parties	24	797	40,207
Repayment of loans and borrowings:			
- Project finance debts	24	(92,755)	(120,813)
- Loan from related parties	24	(4,350)	(49,974)
Principal repayment of lease liabilities	24	(1,033)	(4,775)
Transaction costs related to loans and borrowings:			
- Project finance debts	24	(2,395)	(11,919)
- Loan from Euro Medium Term Note issuer	24	–	(1,827)
Interest paid			
- Project finance debts	24	(5,747)	(5,772)
- Loan from related parties	24	(29)	(51)
- Loan from Euro Medium Term Note issuer	24	(1,862)	(3,186)
- Lease liabilities	24	(200)	(1,256)
Net interest paid for derivatives	8,24	(1,406)	(2,000)
Deposits pledged		–	(37,180)
Net cash generated from financing activities		93,759	309,609
Net decrease in cash and cash equivalents		(45,797)	(71,343)
Cash and cash equivalents at 1 January	21	73,401	157,936
Effect of exchange rate fluctuations on cash held		(17,947)	(13,192)
Cash and cash equivalents at 31 December	21	9,657	73,401

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Zenith Japan Holdings Trust and its Subsidiaries

Statements of Cash Flows (cont'd)
For the year ended 31 December 2023

Trust	**Note**	**2023** US$'000	**2022** US$'000
Cash flows from operating activities			
(Loss)/profit before tax		(12,858)	22,347
Adjustments for:			
Dividend income	4	–	(10,036)
Finance income	8	(2,003)	(1,137)
Finance costs	8	1,858	2,902
Unrealised foreign exchange loss/(gain)		6,264	(17,007)
		(6,739)	(2,931)
Changes in:			
- Trade and other payables		296	(242)
Cash used in operating activities		(6,443)	(3,173)
Tax paid		–	–
Net cash used in operating activities		(6,443)	(3,173)
Cash flows from investing activities			
Distribution from subsidiary:			
- Dividend income	4	–	10,036
- Redemption of units	14	166,355	284,957
Capital contribution to subsidiary	14	(132,728)	(250,050)
Disbursement of loan to related party			
- Loan to subsidiary		–	(56,511)
- Loan to related parties		(149,067)	(263,524)
Proceeds from repayment of loans receivable from related party			
- Loan to subsidiary		–	60,279
- Loan to related parties		106,717	129,232
Interest received		2,060	1,304
Net cash used in investing activities		(6,663)	(84,277)
Cash flows from financing activities			
Proceeds from drawdown of loans and borrowings:			
- Loan from related parties	24	229	39,779
Repayment of loans and borrowings:			
- Loan from related parties	24	–	(42,432)
Interest paid			
- Loan from related parties	24	–	(20)
- Loan from Euro Medium Term Note issuer	24	(1,862)	(3,186)
Transaction costs related to loans and borrowings		–	(1,827)
Net cash used in financing activities		(1,633)	(7,686)
Net decrease in cash and cash equivalents		(14,739)	(95,136)
Cash and cash equivalents at 1 January	21	23,267	119,048
Effect of exchange rate fluctuations on cash held		431	(645)
Cash and cash equivalents at 31 December	21	8,959	23,267

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Significant non-cash transactions

1) In June 2023 and November 2023 respectively, the Group transferred majority of its TK interests in certain Tokumei Kumiai investments (Note 14) and equity investments (Note 16) to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of Vena Energy Holdings Pte. Ltd. ("VEHPL") (formerly known as Vena Energy Holdings Ltd) for a total purchase consideration of US$1.7 billion. The purchase considerations for these transactions were fulfilled by APAC via the issuance of promissory notes ("Promissory Notes") to the Trust's subsidiary, Zenith Japan Trust ("ZJT").

   Certain transactions in connection with the above were executed, including, without limitation, the following:

   (a) The redemption of 1,609,969,876 units at an average price of US$1.05 per unit by the Trust in ZJT, totaling US$1,693.7 million.

   (b) The redemption of 1,575,229,895 units at an average price of US$1.05 per unit by the unitholder, totaling US$1,693.7 million (Note 22). Out of which, US$25.0 million was paid out of retained earnings to the unitholder.

   (c) The redemption price of the aforesaid redemptions was satisfied by assignment of the Trust's rights and obligations under the Promissory Notes to the unitholder.

2) In September 2023, the Trust and Vena Energy Holdings Pte. Ltd. underwent a loan restructuring. This restructuring aimed to clear the outstanding loans owed by Vena Energy Holdings Pte. Ltd. to the Trust, totaling US$196.9 million, which were offset by loans receivable by the Trust amounting to US$154.7 million. The net loans receivables, totaling US$42.2 million by the Trust, was resolved through certain transactions, including, without limitation, the Trust redeemed 41,765,391 units held by Zenith Trust as unitholder at a price of US$1.01 per unit at an aggregate consideration of US$42.2 million (Note 22).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Domicile and activities

(i) Trust

Zenith Japan Holdings Trust (the “Trust”) is constituted in the island of Guernsey under the trust deed dated 18 October 2017 and has the registered office at Level 3, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Trust and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The principal activity of the Group is to invest in renewable energy assets via Tokumei Kumiai (“TK”) agreements in Japan.

Zenith Japan Ltd in its capacity as trustee of Zenith Trust, is the sole unitholder in the Trust.

(ii) Trustee

Zenith Japan Holdings Ltd is the trustee (the “Trustee”) of Zenith Japan Holdings Trust. The Trustee shall manage and administer the Trust and the Trust Fund in accordance with the trust instrument and shall exercise all powers, duties and discretions exercisable under the Trust or conferred by law.

(iii) Purpose of financial statements

The financial statements were drawn up for the Board of Directors to discharge its fiduciary duties.

2. Basis of preparation

2.1 *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (“‘IFRS”). The changes in material accounting policies are described in Note 2.5.

2.2 *Basis of measurement*

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The Group and the Trust has prepared the financial statements on the basis that they will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group and the Trust have adequate resources to continue in operational existence for the foreseeable future.

2. Basis of preparation (cont'd)

2.3 *Functional and presentation currency*

Items included in the financial statements for each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars ("US$" or "USD") which is the Trust's functional currency and have been rounded to the nearest thousand, unless otherwise stated.

2.4 *Use of judgements and estimates*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following note:

Note 28 – fair value measurement of financial instruments measured at fair value through other comprehensive income.

Measurement of fair values

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

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

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

2. Basis of preparation (cont'd)

2.4 *Use of estimates and judgements (cont'd)*

Measurement of fair values (cont'd)

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

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

Further information about the assumptions made in measuring fair values is included in Note 28.

2.5 *Changes in accounting policies*

New standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial statements of the Group.

2.6 *Standards issued but not yet effective*

The Group has not adopted the following amendments applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 *Statement of Cashflows* and IFRS 7: *Financial Instruments: Disclosures:* Supplier Finance Arrangement Disclosures	1 January 2024
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investment in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the amendments above will have no material impact on the financial statements in the period of initial application.

3. Material accounting policy information

The accounting policies set out below have been consistently applied by the Group ("Group accounting policies").

3.1 *Basis of consolidation*

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

In applying the acquisition method, the consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration is recognised in profit or loss.

Non-controlling interests ("NCI") that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by IFRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

3. Material accounting policy information (cont'd)

3.1 *Basis of consolidation (cont'd)*

(i) Business combinations (cont'd)

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately.

The Group recognises goodwill on a provisional basis if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. During the measurement period, such provisional amounts are retrospectively adjusted from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Asset acquisitions

Acquisitions that do not constitute as businesses are accounted for as asset acquisitions. Asset acquisitions are accounted for at cost. The cost of an asset acquisition includes the purchase consideration and transaction costs directly attributable to the asset acquisition.

The Group accounts for the difference between the cost of an asset acquisition and the fair value of the net assets acquired by first deducting from the cost, net assets initially measured at an amount other than cost in accordance with applicable standards, and then allocating the residual cost to the remaining net assets based on their relative fair values at the date of acquisition.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

3. Material accounting policy information (cont'd)

3.1 *Basis of consolidation (cont'd)*

(iii) Subsidiaries (cont'd)

The Group accounts for indirectly held interests in subsidiaries through equity accounted investees by including such interests in the parent's share when determining the percentage of interest attributable to NCI.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Interest in equity accounted investees

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in equity accounted investees are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Investments in equity accounted investees are derecognised when the Group loses significant influence or joint control. If the retained interest in the former equity accounted investee is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the profit or loss.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Material accounting policy information (cont'd)

3.1 *Basis of consolidation (cont'd)*

(vi) Subsidiaries and equity accounted investees in the separate financial statements

Investments in subsidiaries and equity accounted investees are stated in the Trust's statement of financial position at cost less accumulated impairment losses. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Dividend income from investments in subsidiaries and equity accounted investees is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured. Dividend income is recognised in the profit or loss, unless the distribution represents a return of capital, in which case, it is recorded as a reduction of the cost of investment of the parent.

3.2 *Foreign currency*

(i) Foreign currency transactions

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

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

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on translation of a financial liability designated as a hedge of the net investment in foreign operation that is effective, an equity instrument at fair value through other comprehensive income, or qualifying cash flow hedges which are recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to US$ at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US$ at monthly exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

3. Material accounting policy information (cont'd)

3.2 *Foreign currency (cont'd)*

(ii) Foreign operations (cont'd)

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 *Property, plant and equipment*

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing items and restoring the site on which they are located; and
- capitalised borrowing costs.

3. Material accounting policy information (cont'd)

3.3 *Property, plant and equipment (cont'd)*

(i) Recognition and measurement (cont'd)

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvements	25 years
Electric generator equipment	25 years
Computer	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

No depreciation is provided for freehold land and assets under construction.

3. Material accounting policy information (cont'd)

3.4 *Intangible assets and goodwill*

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to the cash-generating unit ("CGU") for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations; land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. This is done to allocate the cost over their estimated useful lives, which are based on the useful life of the related wind or solar assets. The estimated useful lives for the current and comparative years are as follows:

- Project-related agreements and licences 20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

3. Material accounting policy information (cont'd)

3.5 *Financial instruments*

(i) *Recognition and initial measurement*

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(ii) *Classification and subsequent measurement*

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

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

3. Material accounting policy information (cont'd)

3.5 *Financial instruments (cont'd)*

(ii) Classification and subsequent measurement (cont'd)

Equity investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3. Material accounting policy information (cont'd)

3.5 *Financial instruments (cont'd)*

(ii) Classification and subsequent measurement (cont'd)

Financial assets – Assessment whether contractual cashflows are solely payments of principal and interest

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

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

3. Material accounting policy information (cont'd)

3.5 *Financial instruments (cont'd)*

(ii) Classification and subsequent measurement (cont'd)

Financial assets – Assessment whether contractual cashflows are solely payments of principal and interest (cont'd)

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measure at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

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

3. Material accounting policy information (cont'd)

3.5 *Financial instruments (cont'd)*

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

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

(v) Derivative financial instruments

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

3.6 *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

3. Material accounting policy information (cont'd)

3.7 *Unitholder's Fund*

Units in issue

Units in issue are classified as equity. Incremental costs directly attributable to the issuance of units are recognised as a deduction from equity, net of any tax effects. For unpaid units, the equity and corresponding receivable is recognised if the receivables meet the definition of a financial asset.

Redemption of units

When units recognised as equity are redeemed, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Redeemed units are presented under "units in issue". When redeemed units are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within equity.

Advance from unitholder

Advances from unitholder are classified as equity if there is no contractual obligation to repay the balance in cash or another financial asset and will not be settled by issuance of a variable number of units.

3.8 *Impairment*

(i) ***Non-derivative financial assets***

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised costs; and
- contract assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

3. Material accounting policy information (cont'd)

3.8 *Impairment (cont'd)*

(i) Non-derivative financial assets (cont'd)

General approach

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

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

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

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

The Group considers the counterparty to be in default if the counterparty is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

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

Credit-impaired financial assets

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

3. Material accounting policy information (cont'd)

3.8 *Impairment (cont'd)*

(i) Non-derivative financial assets (cont'd)

Credit-impaired financial assets (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the Group performs an impairment assessment on an annual basis and the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

3. Material accounting policy information (cont'd)

3.8 *Impairment (cont'd)*

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an equity accounted investee is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in equity accounted investee is tested for impairment as a single asset when there is objective evidence that the investment in an equity-accounted investee may be impaired.

3. Material accounting policy information (cont'd)

3.9 *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Asset retirement obligation

Provisions for environmental restoration and restructuring are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.10 *Revenue*

Sale of energy

Revenue from sale of energy in the ordinary course of business is recognised in profit or loss when the Group satisfies a performance obligation ("PO") by transferring control of the electricity generated to the customer. The amount of revenue recognition is the amount of the transaction price allocated to the satisfied PO.

The transaction price is determined based on the applicable tariff rates. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised service. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Revenue from sale of energy is recognised in profit or loss when the electricity generated is dispatched to the customer over time.

Revenue is determined based on the units of sales delivered at the applicable tariff rates. An element of significant financing component is deemed present for the Group's sale of electricity for contracts whereby the period between the satisfaction of PO and when the customer pays the transaction price exceeds one year. For these contracts, the Group adjusts the promised consideration for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at the contract inception, such that it reflects the credit characteristics of the party receiving the benefit of financing in the contract.

3. Material accounting policy information (cont'd)

3.10 *Revenue (cont'd)*

Dividend income

Dividend income is recognised in profit or loss when the right to receive income is established. For unquoted equity securities, dividend income is recognised when the shareholders have approved the payment of a dividend.

3.11 *Operating costs*

Operating costs include expenditure that are incurred by the Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

3.12 *Asset management fees*

Asset management fees are fees paid to the Asset Managers for the performance of the services as defined in the Asset Management Agreement.

3.13 *Development costs*

Development costs include expenditure that are incurred by the Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

3.14 *Finance income and finance costs*

Finance income comprises of interest income. Finance costs comprises of interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables).

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

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

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3. Material accounting policy information (cont'd)

3.15 *Tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals for existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. Material accounting policy information (cont'd)

3.15 *Tax (cont'd)*

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.16 *Leases*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in accordance with the Group accounting policies.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment as follows:

Land and buildings	2 - 39 years
Office	20 years

Right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Material accounting policy information (cont'd)

3.16 *Leases (cont'd)*

As a lessee (cont'd)

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property and are carried at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, 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 right-of-use assets that do not meet the definition of investment property as separate line item and lease liabilities in 'loans and borrowings' in the statement of financial position.

3. Material accounting policy information (cont'd)

3.16 *Leases (cont'd)*

Sale and leaseback transactions

A sale and leaseback transaction is one where the Group sells an asset and immediately leases that asset back from the buyer.

For sale and leaseback transactions, the Group first determines whether the transfer is accounted for as a sale by assessing whether the control of the asset has transferred to the buyer.

Where the transfer is accounted for as a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Any gain or loss arising relates to the rights transferred to the buyer. If the fair value of the consideration for the sale of the asset does not equal to the fair value of the asset, or if the lease payments are not at market rates, the Group measures the sale proceeds at fair value by adjusting any below-market terms as a prepayment of lease payments and any above-market terms as additional financing provided by buyer-lessor to the seller-lessee.

Where the transfer is not accounted for as a sale, the Group continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The financial liability is accounted for as a financial liability at amortised cost.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

3. Material accounting policy information (cont'd)

3.16 *Leases (cont'd)*

As a lessor (cont'd)

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

Sale and leaseback transactions as a buyer-lessor

A sale and leaseback transaction is one where the Group buys an asset and immediately leases that asset back to the seller.

For sale and leaseback transactions, the Group first determines whether the transfer is accounted for as a sale by assessing whether the control of the asset has been acquired by the Group.

Where the transfer is accounted for as a sale, the Group recognises the underlying asset at the fair value and determines at lease inception whether each lease is a finance lease or an operating lease. If the fair value of the consideration for the sale of the asset does not equal to the fair value of the asset, or if the lease payments are not at market rates, the Group recognises the underlying asset at fair value by adjusting any below-market terms as a prepayment of lease payments and any above-market terms as additional financing provided by buyer-lessor to the seller-lessee.

Where the transfer is not accounted for as a sale, the Group does not recognise the underlying asset and recognises a financial asset under IFRS 9 for the amount transferred to the seller. The financial asset is accounted for as a financial asset at amortised cost.

3.17 *Non-current assets held for sale or distribution*

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probably to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale (held for distribution) are generally measured at the lower of their carrying amount and fair value less costs to sell (fair value less costs to distribute).

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates and joint venture cases once classified as held for sale or distribution.

4. Revenue and other income

The Group's and the Trust's revenue and other income comprises:

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Revenue:				
Sale of energy (over time)	107,738	144,502	–	–
Dividend income (point in time)	1,000	–	–	10,036
	108,738	144,502	–	10,036
Other income:				
Insurance claims	2,392	5,790	–	–
Liquidated damages	1,522	890	–	–
Others	–	364	–	–
	3,914	7,044	–	–
	112,652	151,546	–	10,036

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and major products.

	Group	
	2023	**2022**
	US$'000	US$'000
Japan Solar	95,891	131,053
Japan Wind	11,847	13,449
	107,738	144,502

Contract balances

Please refer to Note 19 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy which have not been billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

5. Operating costs

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Operations and maintenance costs	8,207	11,424	–	–
Asset related tax and levies	7,232	8,895	–	–
Site office maintenance costs	3	317	–	–
Professional fees	1,183	1,405	212	66
Asset related insurance	3,207	4,152	–	–
Utilities and transmission costs	884	1,160	–	–
Outsourced accounting fees	240	240	120	120
Other general and administrative costs	217	335	–	–
	21,173	27,928	332	186

6. Asset management fees

	Group	
	2023	**2022**
	US$'000	US$'000
Asset management fees	2,209	4,172

In accordance with the Asset Management Agreements, for each accounting period the Asset Managers who are related parties of the Group, shall be entitled to receive an annual fee equal to the sum of:

(i) The actual reasonable expenses incurred by the Asset Managers on their own accounts for the performance of the Services (as opposed to expenses incurred on behalf of the Godo Kaishas ("GKs")) to the extent falling within the Operating Budget; and

(ii) 10% of the amount in (i) or the maximum asset management fees, as agreed.

Services are defined in the Asset Management Agreements as general duties performed by the Asset Managers within reasonable requirements of GK in connection with the management of the Assets and the Business and the performance of the services as are customarily provided by managers of properties of comparable class and standing; and do all such other things as may reasonably and properly be required to be within the scope of the Asset Managers' duties to GKs relating to the management of the Assets and the Business and the performance of the Services.

7. Development costs

	Group 2023 US$'000	Group 2022 US$'000
Professional fees	150	635
Business related taxes	76	108
Insurance	1	5
Utilities and transmission costs	–	6
Other general and administrative costs	82	465
	309	1,219

8. Finance income and finance costs

	Note	Group 2023 US$'000	Group 2022 US$'000	Trust 2023 US$'000	Trust 2022 US$'000
Finance income					
Interest income on:					
- Loan to related party		2,003	1,124	2,003	1,124
- Others		42	99	–	13
Total finance income		2,045	1,223	2,003	1,137
Finance costs					
Interest expense on:					
- Loan from related parties	24	(22)	(67)	–	(20)
- Loan from Euro Medium Term Note Issuer	24	(1,255)	(2,221)	(1,255)	(2,221)
- Bond with O&M Provider	24	(1)	(3)	–	–
- Project finance debts	24	(5,274)	(6,117)	–	–
- Lease liabilities	24	(500)	(862)	–	–
- Interest rate swaps	24	(1,406)	(2,000)	–	–
Other finance costs		(3,049)	(4,033)	(603)	(661)
Total finance costs		(11,507)	(15,303)	(1,858)	(2,902)

Included in other finance costs are deferred financing costs of US$1.9 million (2022: US$3.0 million) and unwinding of discount of asset retirement obligation of US$0.5 million (2022: US$0.3 million).

9. Tax expense

	Group		Trust	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Current tax expense/(credit)				
Withholding tax	2,293	3,263	–	–
Current year	(14)	101	–	–
	2,279	3,364	–	–
Reconciliation of effective tax rate				
Profit/(loss) before tax	14,927	71,642	(12,858)	22,347
Tax using Guernsey Island tax rate of 0% (2022: 0%)	–	–	–	–
Effect of Japan tax rates in foreign jurisdiction 20.43% (2022: 20.60%)	3,050	14,759	–	–
Tax-exempt income	(204)	(2,761)	–	–
Tax incentives	(2,860)	(11,655)	–	–
Withholding tax expense	2,293	3,263	–	–
Others	–	(242)	–	–
	2,279	3,364	–	–

The Guernsey Islands tax rate of 0% is used in the table above as this is the country in which the Trust is domiciled. The effect of tax rates in foreign jurisdictions mainly results from differentiated tax rates applicable in Japan where the Group's operations are primarily based.

Tax incentives refers to tax deductions allowed under the Group's Tokumei Kumiai arrangements.

10. Impairment loss on financial assets

	Group	
	2023	2022
	US$'000	US$'000
Net impairment loss recognised on cash and bank balances	–	6
Net impairment loss recognised on trade and other receivables	–	8
Net impairment loss recognised on other receivables	–	371
	–	385

11. Property, plant and equipment

Group	Note	Freehold land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Computer US$'000	Assets under construction US$'000	Total US$'000
Cost							
At 1 January 2022		26,624	13	914,087	–	406,787	1,347,511
Additions		105	–	37,659	46	333,490	371,300
Reclassification		–	–	352,947	–	(352,947)	–
Reclassification into intangible assets	13	(7,460)	–	–	–	–	(7,460)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	12	–	–	–	–	4,602	4,602
Disposal		(1,895)	–	(131)	–	–	(2,026)
Write-off	(a)	(18)	–	(856)	–	(12,793)	(13,667)
Effect of exchange rate changes		(3,618)	(1)	(128,284)	(1)	(55,935)	(187,839)
At 31 December 2022		13,738	12	1,175,422	45	323,204	1,512,421
Additions		52	17	15,910	5	67,439	83,423
Reclassification		–	–	30,135	–	(30,135)	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	12	–	–	–	–	2,292	2,292
Disposal		(14)	–	(291)	–	–	(305)
Transfer of TK interests	14	(12,485)	(27)	(1,122,892)	(46)	(337,003)	(1,472,453)
Effect of exchange rate changes		(1,157)	(2)	(98,284)	(4)	(25,797)	(125,244)
At 31 December 2023		134	–	–	–	–	134

(a) Included US$5.0 million as "write-off of project costs" in profit or loss in 2022.

11. Property, plant and equipment (cont'd)

Group	**Note**	**Freehold land** US$'000	**Building and leasehold improvements** US$'000	**Electric generator equipment** US$'000	**Computer** US$'000	**Assets under construction** US$'000	**Total** US$'000
Accumulated depreciation							
At 1 January 2022		–	1	86,732	–	–	86,733
Depreciation expense		–	–*	39,455	–*	–	39,455
Disposal		–	–	(11)	–	–	(11)
Write-off		–	–	(55)	–	–	(55)
Effect of exchange rate changes		–	1	(13,091)	–	–	(13,090)
At 31 December 2022		–	2	113,030	–*	–	113,032
Depreciation expense		–	–	22,813	–*	–	22,813
Disposal		–	–	(43)	–	–	(43)
Transfer of TK interests	14	–	(2)	(125,076)	–*	–	(125,078)
Effect of exchange rate changes		–	–	(10,724)	–*	–	(10,724)
At 31 December 2023		–	–	–	–	–	–
Carrying amounts							
At 31 December 2022		13,738	10	1,062,392	45	323,204	1,399,389
At 31 December 2023		134	–	–	–	–	134

* Amount less than US$1,000.

11. Property, plant and equipment (cont'd)

As at the reporting date, no amounts of property, plant and equipment were pledged. As at 31 December 2022, property, plant and equipment of the Group with carrying amounts of US$884.6 million were pledged as collateral to secure project finance debts.

During the financial year, US$49.9 million (2022: US$94.1 million) asset management fee expenses and engineering, procurement and construction ("EPC") expenses charged by related parties of the Group were capitalised for projects that have yet to reach their commercial operation dates.

12. Right-of-use assets

	Note	Land	Office	Total
		US$'000	US$'000	US$'000
Group				
Cost				
At 1 January 2022		249,234	91	249,325
Additions		25,501	–	25,501
Lease modification		(2,743)	193	(2,550)
Effect of exchange rate changes		(34,499)	(14)	(34,513)
At 31 December 2022		237,493	270	237,763
Additions		12,351	–	12,351
Lease modification		(67)	–	(67)
Lease termination		(8,352)	–	(8,352)
Transfer of TK interests	14	(221,647)	(241)	(221,888)
Effect of exchange rate changes		(19,778)	(29)	(19,807)
At 31 December 2023		–	–	–

12. Right-of-use assets (cont'd)

	Note	Land US$'000	Office US$'000	Total US$'000
Group				
Accumulated depreciation				
At 1 January 2022		16,042	–	16,042
Depreciation expense		3,317	12	3,329
Lease modification		(327)	27	(300)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	11	4,589	13	4,602
Effect of exchange rate changes		(2,206)	(1)	(2,207)
At 31 December 2022		21,415	51	21,466
Depreciation expense		1,837	10	1,847
Lease modification		(40)	–	(40)
Lease termination		(969)	–	(969)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	11	2,287	5	2,292
Transfer of TK interests	14	(22,538)	(63)	(22,601)
Effect of exchange rate changes		(1,992)	(3)	(1,995)
At 31 December 2023		–	–	–
Carrying amounts				
At 31 December 2022		216,078	219	216,297
At 31 December 2023		–	–	–

13. Intangible assets

	Note	Goodwill US$'000	Project-related agreements and licences US$'000	Total US$'000
Group				
Cost				
At 1 January 2022		250,688	1,006,053	1,256,741
Additions		–	1	1
Reclassification from property, plant and equipment	11	–	7,460	7,460
Write-off project costs		–	(2,880)	(2,880)
Effect of exchange rate changes		(34,568)	(138,896)	(173,464)
At 31 December 2022		216,120	871,738	1,087,858
Transfer of TK interests	14	(198,054)	(800,735)	(998,789)
Effect of exchange rate changes		(18,066)	(71,003)	(89,069)
At 31 December 2023		–	–	–
Accumulated amortisation				
At 1 January 2022		–	76,060	76,060
Amortisation expense		–	32,604	32,604
Effect of exchange rate changes		–	(10,825)	(10,825)
At 31 December 2022		–	97,839	97,839
Amortisation expense		–	16,474	16,474
Transfer of TK interests	14	–	(105,242)	(105,242)
Effect of exchange rate changes		–	(9,071)	(9,071)
At 31 December 2023		–	–	–
Carrying amounts				
At 31 December 2022		216,120	773,899	990,019
At 31 December 2023		–	–	–

Amortisation of the project-related agreements and licences will begin on the commercial operation date of the renewable assets as defined in the respective power purchase agreements.

13. Intangible assets (cont'd)

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's groups of CGUs (operating divisions) as follows:

	Group	
	2023	**2022**
	US$'000	US$'000
Japan	–	216,120

Operations in Japan

The recoverable amount of the groups of CGUs was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement is categorised as a Level 3 fair value based on the inputs in the valuation technique used.

In 2022, the discounted cash flows valuation was based on management's latest cash flow projection assuming up to 30 years and no terminal value was assumed. The post-tax discount rates of 4.1% – 5.6% were estimated based on historical industry average weighted-average cost of capital and applying a risk premium for under construction, contracted and development assets.

Any reasonably possible change to the key assumptions applied was not likely to cause the recoverable amount to be materially below the carrying amount of the CGU.

14. Investment in subsidiaries

	Trust	
	2023	**2022**
	US$'000	US$'000
Equity investments, at cost	2,330	1,729,716

The table below provides a reconciliation of the movement in investment in the subsidiaries:

	Trust	
	2023	**2022**
	US$'000	US$'000
Balance as at 1 January	1,729,716	1,764,623
Capital injection during the year	132,728	250,050
Redemption during the year	(1,860,114)	(284,957)
Balance as at 31 December	2,330	1,729,716

14. Investment in subsidiaries (cont'd)

During the financial year, the Trust increased its investment in subsidiaries by US$132.7 million (2022: US$250.1 million) and redeemed 1,771.3 million units (2022: 264.6 million units) at an average price of US$1.05 (2022: US$1.08) per unit for the aggregate consideration of US$1,860.1 million (2022: US$285.0 million).

The table below provides details of the significant subsidiaries of the Group:

Name of subsidiaries	Sector	Project Name	Status	Principal place of business	Effective interest 2023 %	2022 %
Zenith Japan Trust	Investment holding company	–	Operating	Guernsey	100	100
Kawazu Solar GK	Solar	–	Dormant	Japan	99	99
GK KC-01 Investment	Solar	Sotsukozawa	Operating	Japan	–*	99
GK NRE Sannan	Solar	Sannan	Operating	Japan	–*	99
GK NRE-05 Investment	Solar	Shichinohe 3,6,8	Operating	Japan	–*	99
GK NRE-10 Investment	Solar	Kawakami	Operating	Japan	–*	99
GK NRE-13 Investment	Solar	Enokibayashi	Operating	Japan	–*	99
GK NRE-15 Investment	Solar	Noheji	Operating	Japan	–*	99
GK NRE-16 Investment	Solar	Tokai	Operating	Japan	–*	99
GK NRE-17 Investment	Solar	Mito1	Operating	Japan	–*	99
GK NRE-19 Investment	Solar	Hitachi Omiya	Operating	Japan	–*	99
GK NRE-20 Investment	Solar	Wakuya	Operating	Japan	–*	99
GK NRE-21 Investment	Solar	Shichinohe 9	Operating	Japan	–*	99
GK NRE-23 Investment	Solar	Kisarazu	Operating	Japan	–*	99
GK NRE-24 Investment	Solar	Kawakami 2	Operating	Japan	–*	99
GK NRE-29 Investment	Solar	Nanbucho 3	Operating	Japan	–*	99
GK NRE-32 Investment	Solar	Kasama	Operating	Japan	–*	99
GK NRE-36 Investment	Solar	Towada	Operating	Japan	–*	99
GK NRE-37 Investment	Solar	Aomori 2	Operating	Japan	–*	99
GK NRE-39 Investment	Solar	Ono	Operating	Japan	–*	99
GK NRE-42 Investment	Solar	Hitachi Omiya 2	Operating	Japan	–*	99
GK NRE-44 Investment	Solar	Nihonmatsu 2	Operating	Japan	–*	99

14. Investment in subsidiaries (cont'd)

Name of subsidiaries	Sector	Project Name	Status	Principal place of business	Effective interest 2023 %	Effective interest 2022 %
KP Energy GK	Solar	Yaita 2	Operating	Japan	–*	99
SEJ III GK	Solar	Nagasaki	Operating	Japan	–*	98
Amakusa Wind GK	Wind	Reihoku 2	Operating	Japan	–*	99
Nakasato Wind GK	Wind	Nakadomari	Operating	Japan	–*	99
GK NWE-02 Investment	Wind	Reihoku 1	Operating	Japan	–*	99

* These are TK interests which have been transferred in the current financial year as described below.

The Group acquired Tokumei Kumiai interest ("TK Interests") of the special purpose vehicles ("GKs" or "TK Operators") on 19 January 2018. The relationship between the Trust and the TK Operators is governed by the TK Agreements. The Trust, as the investor, will provide funds to the TK Operator in return for the right to receive a distribution of profit generated from the operation of the GK. Under the TK Agreement, the net income of the TK business, comprising principally the income generated from solar and wind assets, will be passed up to the Trust. The Trust is entitled up to 99% of the profits and losses of such business, while the Asset Manager is entitled to 1% of the allocated profits and losses respectively. The Trust is, therefore, entitled to receive substantially all of the economic interest from the TK Operator.

The Trust has assessed the economic reality of the Group and its investment activities through the TK Operators and concluded that the TK Operators meet the definition of subsidiaries of the Group (as defined by IFRS).

Transfer of TK interests

In May 2023, the Group transferred 49% of TK interests in GK Hayabusa to a third party for a total cash purchase consideration of US$31.1 million (JPY4.35 billion).

Following the transfer of TK interests, GK Hayabusa and its subsidiaries, GK NRE-05 Investment and GK NRE-19 Investment (collectively known as "Project Hayabusa") ceased to be subsidiaries to the Group.

In June 2023, the Group further divested approximately 48% of its economic interests in Project Hayabusa to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of VEHPL for a total purchase consideration of US$30.7 million. The purchase consideration for this transaction was fulfilled by APAC via the issuance of a promissory note to the Trust's subsidiary, Zenith Japan Trust ("ZJT").

The retained approximately 2% TK interests in GK Hayabusa is recognised as other investments at FVOCI (Note 16).

14. Investment in subsidiaries (cont'd)

Transfer of TK interests (cont'd)

During the year, the Group transferred majority of the TK interests in a number of special purpose vehicles ("GKs") to APAC for a total consideration of US$1,617.1 million. The payment for these transactions was fulfilled by APAC via the issuance of a promissory note ("Promissory Note") to ZJT.

The retained TK interests in these GKs are recognised as other investments at FVOCI (Note 16). These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

Through a series of redemptions which were satisfied in kind by the assignment of the rights to receive payment under the Promissory Note, the benefits of the Promissory Note were up streamed to the unitholder of the Trust. This led to the redemption of units by the unitholder as disclosed in Note 22, thereby amounting to the total purchase consideration of US$1,617.1 million.

The net assets on transfer of TK interests as mentioned above are provided as below:

	Note	2023 US$'000
Assets		
Property, plant and equipment	11	1,347,375
Right-of-use assets	12	199,287
Intangible assets	13	893,547
Other investments		59,618
Prepayments and other assets		5,865
Trade and other receivables		72,781
Derivative assets		5,289
Cash and bank balances		205,130
		2,788,892
Liabilities		
Loans and borrowings	24	(1,087,012)
Lease liabilities	24	(206,329)
Asset retirement obligation		(52,376)
Trade and other payables		(43,258)
Derivative liabilities		(7,109)
		(1,396,084)
Net assets derecognised		1,392,808

14. Investment in subsidiaries (cont'd)

Transfer of TK interests (cont'd)

The cash flows and net assets on transfer of TK interests as mentioned above are provided as below:

	Note	2023 US$'000
Net assets derecognised		1,392,808
Less: Non-controlling interests		(15,797)
Net assets on transfer of TK interests		1,377,011
Reclassification of foreign currency translation reserve		394,807
Adjusted net assets on transfer of TK interests		1,771,818
Loss on transfer of TK interests		(17,915)
Fair value on initial recognition of TK interests retained		(105,698)
Total sales consideration		1,648,205
Less: Sale proceeds via issuance of a Promissory Note		(1,617,147)
Less: Cash and bank balances of the transferred TK interests		(205,130)
Net cash outflow on transfer of TK interests		(174,072)
Less: Restricted bank balances and deposits		103,941
Cash outflow on transfer of TK interests, net of transfer of deposits pledged		(70,131)

15. Equity-accounted investees

	Group 2023 US$'000	 2022 US$'000
Interests in joint ventures	19,089	67,945

In November 2023, the Group transferred part of the TK interests in Nanao Mega Solar GK ("Nanao") and KK Kyudenko Fukuosan Solar ("KK Fukuosan") to APAC for a total consideration of US$76.6 million and recognised a gain on transfer of TK interests of US$19.5 million, which resulted a gain on TK transfer of US$19.5 million. The payment for these transactions was fulfilled by APAC via the issuance of a promissory note ("Promissory Note") to ZJT.

The retained TK interests of US$3.5 million are recognised as other investments at FVOCI (Note 16). These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

15. Equity-accounted investees (cont'd)

Through a series of redemptions which were satisfied in kind by the assignment of the rights to receive payment under the Promissory Note, the benefits of the Promissory Note were up streamed to the unitholder of the Trust. This led to the redemption of units by the unitholder as per disclosed in Note 22, thereby amounting to the total purchase consideration of US$76.6 million.

The following summarises the financial information of the Group's joint ventures based on the financial statements prepared in accordance with IFRSs:

2023	**Wind Power Energy Co., Ltd. ("WPE")** US$'000
Statement of financial position	
Non-current assets	
Property, plant and equipment	56,158
Right-of-use assets	7,114
	63,272
Current assets	
Prepayments and other assets	1
Trade and other receivables	776
Cash and bank balances	1,551
	2,328
Total assets	65,600
Non-current liabilities	
Loans and borrowings	12,253
Lease liabilities	7,137
	19,390
Current liabilities	
Loans and borrowings	13
Lease liabilities	264
Trade and other payables	2,081
Current tax liabilities	10
	2,368
Total liabilities	21,758
Net assets	43,842

15. Equity-accounted investees (cont'd)

2023	**WPE** US$'000
Statement of comprehensive income	
Other income	1
Development costs	(112)
Loss before tax	(111)
Tax expense	(4)
Loss for the year, representing total comprehensive income for the year	(115)

2022	**Nanao** US$'000	**KK Fukuosan** US$'000	**WPE** US$'000
Statement of financial position			
Non-current assets			
Property, plant and equipment	72,469	101,394	52,489
Right-of-use assets	11,949	40,640	7,964
Intangible assets	1,205	28,146	–
Prepayments and other assets	1,517	240	–
Derivative assets	–	4,674	–
	87,140	175,094	60,453
Current assets			
Prepayments and other assets	–	32	1
Trade and other receivables	444	12,068	757
Derivative assets	4,419	–	–
Cash and bank balances	5,636	12,053	5,825
	10,499	24,153	6,583
Total assets	97,639	199,247	67,036

15. Equity-accounted investees (cont'd)

2022	Nanao US$'000	KK Fukuosan US$'000	WPE US$'000
Statement of financial position (cont'd)			
Non-current liabilities			
Loans and borrowings	60,560	100,458	13,158
Lease liabilities	4,713	44,168	7,948
Asset retirement obligation	–	5,265	–
	65,273	149,891	21,106
Current liabilities			
Loans and borrowings	–	8,438	14
Lease liabilities	279	2,726	280
Trade and other payables	224	212	2,241
	503	11,376	2,535
Total liabilities	65,776	161,267	23,641
Net assets	31,863	37,980	43,395
Statement of comprehensive income			
Revenue	1,304	14,536	–
Other income	–	–	2
Total revenue	1,304	14,536	2
Operating costs	(140)	(4,094)	–
Development costs	–	–	(95)
Depreciation expense	–	(7,346)	–
Amortisation expense	(116)	(1,441)	–
Results from operating activities	1,048	1,655	(93)
Finance costs	(140)	(1,583)	–
Change in fair value of financial instruments at FVTPL	5,704	6,384	–
Profit/(loss) before tax	6,612	6,456	(93)
Tax expense	(16)	(4)	(47)
Profit/(loss) for the year, representing total comprehensive income for the year	6,596	6,452	(140)

15. Equity-accounted investees (cont'd)

	Nanao US$'000	**KK Fukuosan** US$'000	**WPE** US$'000	**Total** US$'000
2023				
Carrying amount of interests in joint ventures at 1 January 2023	22,283	26,842	18,820	67,945
Group's contribution during the year	–	–	1,764	1,764
Redemption during the year	–	(2,999)	–	(2,999)
Share of results of joint ventures	5,320	909	(56)	6,173
Foreign currency translation differences	3,576	4,607	(1,439)	6,744
Transfer of TK interests	(31,179)	(29,359)	–	(60,538)
Carrying amount of interests in joint ventures at 31 December 2023	–	–	19,089	19,089
2022				
Carrying amount of interest in joint ventures at 1 January 2022	15,956	25,934	14,911	56,801
Group's contribution during the year	4,299	–	6,379	10,678
Share of results of joint ventures	4,552	4,452	(68)	8,936
Foreign currency translation differences	(2,524)	(3,544)	(2,402)	(8,470)
Carrying amount of interest in joint ventures at 31 December 2022	22,283	26,842	18,820	67,945

16. Other investments

	Group 2023 US$'000	Group 2022 US$'000
Equity investments – held at FVOCI	69,558	–

The Group's equity investments at FVOCI consist of its interests in Tokumei Kumiai investments associated with renewable energy assets in Japan. These interests arise from:

(a) Retained TK interests in certain Tokumei Kumiai investments as disclosed in Note 14 and Note 15; and

(b) Acquisition of 38% economic interests in certain Tokumei Kumiai investments in April 2023. Subsequently, in June 2023, the Group divested 36% of these investments to APAC, for which the payment was to be settled through APAC issuing a Promissory Note to ZJT.

The table below provides the details of the equity investments of the Group:

Name of investment	Group 2023 US$'000	Group 2022 US$'000
Amateras Solar G.K.	4,167	–
GK Asama	2,339	–
GK Energy Forest	3,551	–
GK KC-01 Investment	1,156	–
GK NRE Sannan	672	–
GK NRE-13 Investment	174	–
GK NRE-15 Investment	213	–
GK NRE-16 Investment	240	–
GK NRE-17 Investment	3,423	–
GK NRE-20 Investment	1,462	–
GK NRE-21 Investment	948	–
GK NRE-23 Investment	1,394	–
GK NRE-25 Investment	472	–
GK NRE-29 Investment	152	–
GK NRE-30 Investment	109	–
GK NRE-32 Investment	3,202	–
GK NRE-36 Investment	774	–
GK NRE-37 Investment	2,220	–
GK NRE-39 Investment	1,867	–
GK NRE-41 Investment	5,476	–
GK NRE-42 Investment	561	–
GK NRE-44 Investment	1,212	–
GK NRE-46 Investment	670	–
Hayabusa GK	1,712	–
KK Kyudenko Fukuousan Solar Power Plant	1,475	–
KP Energy GK	1,214	–
Nanao Mega Solar GK	1,527	–
NRELP GK	1,835	–
SEJ 111 GK	438	–

16. Other investments (cont'd)

Name of investment	Group 2023 US$'000	Group 2022 US$'000
Amakusa Wind GK	251	–
Clean Energy GK	267	–
GK NWE-02 Investment	342	–
GK NWE-03 Investment	998	–
GK NWE-09 Investment	4,725	–
GK NWE-10 Investment	576	–
GK NWE-12 Investment	757	–
Kagoshima Koriyama Wind G.K.	2,348	–
Kami Miyazaki Wind GK	933	–
Karatsu Wind GK	1,154	–
Nakasato Wind GK	2,029	–
Nakaura Wind GK	721	–
Nimaida Wind GK	3,084	–
Nishiyama Wind GK	1,452	–
Tottori Seibu Wind GK	938	–
Tottori Wind GK	4,328	–
	69,558	–

17. Loans receivables

	Group and Trust 2023 US$'000	Group and Trust 2022 US$'000
Non-current		
Loan receivable from related party	–	180,459
Current		
Loan receivable from related party	–	–
Interest on loans receivables from related party	–	161
	–	161
	–	180,620

In 2022, the Group and the Trust had a loan receivable from VEHPL with an annual interest rate of 1.4%. The loan was, unsecured, denominated in JPY and would mature on 30 December 2024.

In September 2023, JPY 23.0 billion (approximately of US$154.7 million) of loans receivables were deemed to have been repaid by VEHPL to the Trust via a Deed of Set-off and Amendment agreement entered by the Trust, VEHPL and Vena Energy Capital Pte. Ltd. ("Euro Medium Term Note Issuer").

18. Prepayments and other assets

	Group 2023 US$'000	Group 2022 US$'000
Non-current		
Prepaid asset management fees	–	1,678
Prepaid O&M mobilisation fees	–	3,611
	–	5,289
Current		
Prepaid insurance	21	1,061
Advance payments for construction costs	–	5,705
Other assets	–	1,289
	21	8,055
	21	13,344

19. Trade and other receivables

	Note	Group 2023 US$'000	Group 2022 US$'000
Non-current			
VAT receivables		–	38,948
Deposits		–	3,098
		–	42,046
Current			
Non-trade amounts due from:			
- Related parties	(a)	–	1,356
Contract assets		–	11,533
VAT receivables		400	27,710
Other deposits		597	4,122
		997	44,721
Less: Impairment loss	27	(3)	(542)
		994	44,179
		994	86,225

19. Trade and other receivables (cont'd)

Trade receivables are non-interest bearing and are generally on standard credit terms ranging from 15 to 30 days (2022: 15 to 30 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

(a) Amount due from related parties (as defined in Note 30) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

20. Derivative assets

	Group	
	2023	**2022**
	US$'000	US$'000
Non-current		
Interest rate swaps	–	18,146
Total derivative assets	–	18,146

In 2022, the Group manages interest rate risk on variable borrowings by entering into floating-to-fixed interest rate swaps.

21. Cash and bank balances

		Group		Trust	
	Note	**2023**	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
Bank balances		9,657	177,342	8,959	23,267
Less: Impairment loss		–	(7)	–	–
Cash and bank balances in the statement of financial position		9,657	177,335	8,959	23,267
Less: Restricted bank balances and deposits	(a)	–	(103,941)	–	–
Add: Impairment loss		–	7	–	–
Cash and cash equivalents in the statement of cash flows		9,657	73,401	8,959	23,267

(a) As at 31 December 2022, US$103.9 million of the Group's cash and bank balances were restricted. Out of this, US$40.7 million were held under Debt Service Reserve Accounts ("DSRA"), which represents a reserve account used for debt service of project finance debts. There are no amounts restricted as of 31 December 2023.

As at 31 December 2022, cash and bank balances of the Group amounting to US$111.2 million are pledged as collateral to secure project finance debts. There are no amounts pledged as collateral as of 31 December 2023.

22. Units in issue

	Group and Trust	
	2023	**2022**
	US$'000	US$'000
Issued		
At 1 January and 31 December	1,712,182	1,712,182
Redemption of units	(1,710,942)	–
As at 31 December 2023	1,240	1,712,182

Units

Each unit in the Trust represents an equal undivided interest in the Trust.

As at 31 December 2023 and 2022, all units were issued and fully paid.

Redemption of units

During the year, 1,616,995,286 units were redeemed at an average price of US$1.07 per unit at an aggregate consideration of US$1,735.9 million which were deemed as non-cash transactions. Out of which, US$25.0 million was paid out of retained earnings to the unitholder.

23. Reserves

The reserves of the Group comprise the following balances:

	2023	**2022**
	US$'000	US$'000
Translation reserve	(5,039)	(295,698)
Fair value reserve	(1,857)	–
	(6,896)	(295,698)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve records the cumulative fair value changes of equity investment measured at FVOCI.

24. Loans and borrowings and lease liabilities

	Note	Group 2023 US$'000	Group 2022 US$'000	Trust 2023 US$'000	Trust 2022 US$'000
Non-current					
Project finance debts	(a)	–	965,148	–	–
Bond issued by O&M Provider		–	264	–	–
Loan from:					
- Related parties	(b)	239	3,702	239	–
- Euro Medium Term Note Issuer	(c)	7,614	181,057	7,614	181,057
		7,853	1,150,171	7,853	181,057
Lease liabilities		–	215,042	–	–
Current					
Project finance debts	(a)	–	102,868	–	–
Loan from related parties	(b)	–	3,409	–	–
Interest payable on:					
- Project finance debts	(a)	–	360	–	–
- Loan from related parties	(b)	–*	60	–*	–
- Euro Medium Term Note Issuer	(c)	34	642	34	642
- Bond issued by O&M Provider		–	14	–	–
- Derivatives		–	89	–	–
		34	107,442	34	642
Lease liabilities		–	5,325	–	–
		7,887	1,477,980	7,887	181,699

* Amount less than US$1,000.

24. Loans and borrowings and lease liabilities (cont'd)

The below table shows the notional amount of the outstanding loans and borrowings excluding transaction costs.

	Group 2023 US$'000	Group 2022 US$'000	Trust 2023 US$'000	Trust 2022 US$'000
Gross debt				
Non-current				
Project finance debts	–	985,001	–	–
Bond issued by O&M Provider	–	264	–	–
Loan from:				
- Related parties	239	3,702	239	–
- Euro Medium Term Note Issuer	8,315	182,361	8,315	182,361
	8,554	1,171,328	8,554	182,361
Current				
Project finance debts	–	105,315	–	–
Loan from:				
- Related parties	–	3,409	–	–
	–	108,724	–	–
	8,554	1,280,052	8,554	182,361

Terms and conditions of loans and borrowings are as follows:

Group	**Currency**	**Nominal interest rate %**	**Year of maturity**	**Principal amount** US$'000
2023				
Loan from related parties	JPY	1.4	2024	239
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	4,823
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	3,492
				8,554

24. Loans and borrowings and lease liabilities (cont'd)

Group	Currency	Nominal interest rate %	Year of maturity	Principal amount US$'000
2022				
Project finance debt	JPY	3M TIBOR + 0.5 to 0.8	2034 to 2040	651,020
Project finance debt	JPY	6M TIBOR + 0.8 to 1.0	2024 to 2040	208,022
Project finance debt	JPY	TONAR + 0.8 to 0.9	2023 to 2027	161,232
Project finance debt	JPY	1.9	2038	70,042
Bond issued by O&M Provider	JPY	1.0	–	264
Loan from related parties	JPY	0.6 to 0.8	2023 to 2035	7,111
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	105,780
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	76,581
				1,280,052

Trust	Currency	Nominal interest rate %	Year of maturity	Principal amount US$'000
2023				
Loan from related parties	JPY	1.4	2024	239
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	4,823
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	3,492
				8,554
2022				
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	105,780
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	76,581
				182,361

(a) ***Project finance debts***

The project finance debts contain debt covenants which are tested on a regular basis. A future breach of these covenants may require the Group to repay the loans and borrowings earlier than its year of maturity. The Group has not breached any debt covenants as at 31 December 2022.

Project finance debts are secured over the assets of the Group as disclosed in Note 24(d).

24. Loans and borrowings and lease liabilities (cont'd)

(b) Loan from related parties

In 2023, the Group held a loan from Vena Energy Holdings Pte Ltd. with an annual interest of 1.375% on the principal outstanding. The loan is repayable on demand.

In 2022, the Group obtained a loan from Nippon Renewable Energy K.K. with an annual interest rate of 0.8% on the principal outstanding. The loan tenor is 1 year, with a maturity date in 2023.

In 2022, the Group obtained loans from Nippon Wind Energy K.K. with annual interest of 0.6% on the principal outstanding on all the loans. The loans are repayable within 2 to 3 years with their maturity dates ranging from 2023 to 2024.

(c) Loan from Euro Medium Term Note Issuer

On 26 February 2020, a related company, Vena Energy Capital Pte. Ltd. ("Euro Medium Term Note Issuer"), issued US$325,000,000 3.1% per annum notes due in 2025 listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") under a US$1 billion Global Medium Term Note Programme (the "Notes").

On 8 July 2021, the Euro Medium Term Note Issuer issued US$175,000,000 3.1% per annum notes due in 2025 listed on SGX-ST under the US$1 billion Notes. The Notes were issued at a premium for a total consideration of US$178,638,250. The Notes are to be consolidated and form a single series with the US$325,000,000 3.1% per annum notes issued on 27 February 2020.

The Notes bear interest at the rate of 3.1% per annum from and including 26 February 2021, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2021. The Notes will mature on 26 February 2025.

The Notes proceeds were allocated to the Trust, Vena Energy Holdings Pte. Ltd. and Vena Energy Taiwan Holdings Pte. Ltd. (formerly known as Vena Energy (Taiwan) Pte. Ltd.) through intercompany loans.

The Trust together with Vena Energy Holdings Pte. Ltd. and Vena Energy Taiwan Holdings Pte Ltd jointly and severally act as guarantors for Vena Energy Capital Pte. Ltd. for this Notes issuance. The due and punctual payment of all sums payable by Vena Energy Capital Pte. Ltd. from time to time in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the guarantors.

The loan from the Euro Medium Term Note Issuer is a 5-year loan maturing on 26 February 2025 denominated in Japanese Yen ("JPY") with the contractual interest rate at 1.4% and 0.6% (2022: 1.4% and 0.6%) per annum payable on a semi-annual basis.

24. Loans and borrowings and lease liabilities (cont'd)

(d) ***Pledges for facilities agreements***

In 2022, the Group entered into several facilities agreements with various financial institutions. Under these agreements, these financial institutions provided project financing debts of US$1,090.3 million to the Group on a combination of fixed and floating rates.

The obligations of the Group to the banks were collateralised by the pledges of all the shares of the project entities and liens on and security interests in substantially all of the project entities' assets, its rights under various agreements, all of the project entities' revenues and all insurance proceeds payable to the project entities and require the project entities to comply with various administrative requirements.

The Group's assets directly pledged in relation to the facilities agreements are as disclosed in Note 11 and 21 of the financial statement. The indirect pledge over the Group's consolidated net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	Group	
	2023	**2022**
	US$'000	US$'000
Project entities' contribution to the net assets of the Group	–	653,167

Market and liquidity risk

Information about the Group's and the Trust's exposure to interest rate, foreign currency and liquidity risks is included in Note 27.

24. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Note	Liabilities: Project finance debts US$'000	Liabilities: Bond issued by O&M provider US$'000	Liabilities: Loan from related parties US$'000	Liabilities: Loan from Euro Medium Term Note Issuer US$'000	Liabilities: Lease liabilities US$'000	Total US$'000
Balance at 1 January 2023		1,068,465	278	7,171	181,699	220,367	1,477,980
Changes from financing cash flows							
Proceeds		202,275	–	797	–	–	203,072
Repayment		(92,755)	–	(4,350)	–	–	(97,105)
Payment for lease liabilities		–	–	–	–	(1,033)	(1,033)
Transaction costs		(2,395)	–	–	–	–	(2,395)
Interest paid		(7,153)	–	(29)	(1,862)	(200)	(9,244)
Total changes from financing cash flows		99,972	–	(3,582)	(1,862)	(1,233)	93,295
Effect of changes in foreign exchange rates		(90,832)	(34)	(2,837)	(19,341)	(10,901)	(123,945)
Other changes							
Liability-related							
New leases	12	–	–	–	–	5,162	5,162
Lease modifications	12	–	–	–	–	179	179
Lease termination	12	–	–	–	–	(7,745)	(7,745)
Interest expense	8	6,680	1	22	1,255	500	8,458
Loans settlement[1]		–	–	–	(154,706)	–	(154,706)
Other finance costs	8	1,947	–	–	603	–	2,550
Total liability-related other changes		8,627	1	22	(152,848)	(1,904)	(146,102)
Transfer of TK interests	14	(1,086,232)	(245)	(535)	–	(206,329)	(1,293,341)
Balance at 31 December 2023		–	–	239	7,648	–	7,887

24. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

		Liabilities					
Group	**Note**	**Project finance debts** US$'000	**Bond issued by O&M provider** US$'000	**Loan from related parties** US$'000	**Loan from Euro Medium Term Note Issuer** US$'000	**Lease liabilities** US$'000	**Total** US$'000
Balance at 1 January 2022		805,164	320	9,107	211,960	233,382	1,259,933
Changes from financing cash flows							
Proceeds		505,900	–	40,207	–	–	546,107
Repayment		(120,813)	–	(49,974)	–	–	(170,787)
Payment for lease liabilities		–	–	–	–	(4,775)	(4,775)
Transaction costs		(11,919)	–	–	(1,827)	–	(13,746)
Interest paid		(7,772)	–	(51)	(3,186)	(1,256)	(12,265)
Total changes from financing cash flows		365,396	–	(9,818)	(5,013)	(6,031)	344,534
Effect of changes in foreign exchange rates		(113,256)	(45)	7,815	(28,130)	(30,797)	(164,413)
Other changes							
Liability-related							
New leases	12	–	–	–	–	25,501	25,501
Lease modifications	12	–	–	–	–	(2,550)	(2,550)
Interest expense	8	8,117	3	67	2,221	862	11,270
Other finance costs	8	3,044	–	–	661	–	3,705
Total liability-related other changes		11,161	3	67	2,882	23,813	37,926
Balance at 31 December 2022		1,068,465	278	7,171	181,699	220,367	1,477,980

24. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

		Liabilities		
Trust	**Note**	**Loan from related parties** US$'000	**Loan from Euro Medium Term Note Issuer** US$'000	**Total** US$'000
Balance at 1 January 2023		–	181,699	181,699
Changes from financing cash flows				
Proceeds from loans and borrowings		229	–	229
Interest paid		–	(1,862)	(1,862)
Total changes from financing cash flows		229	(1,862)	(1,633)
Effect of changes in foreign exchange rates		10	(19,341)	(19,331)
Other changes				
Liability-related				
Interest expense	8	–	1,255	1,255
Loans settlement[1]		–	(154,706)	(154,706)
Other finance costs	8	–	603	603
Total liability-related other changes		–	(152,848)	(152,848)
Balance at 31 December 2023		239	7,648	7,887

[1] In September 2023, JPY 23.0 billion (approximately of US$154.7 million) of loans from "Euro Medium Term Note Issuer" shall be deemed to have been repaid by Vena Energy Holdings Pte. Ltd. via a Deed of Set-off and Amendment agreement entered by the Trust, Vena Energy Holdings Pte. Ltd. and Vena Energy Capital Pte. Ltd. ("Euro Medium Term Note Issuer").

24. Loans and borrowings and lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

		Liabilities		
Trust	**Note**	**Loan from related parties** US$'000	**Loan from Euro Medium Term Note Issuer** US$'000	**Total** US$'000
Balance at 1 January 2022		–	211,960	211,960
Changes from financing cash flows				
Proceeds from loans and borrowings		39,779	–	39,779
Repayment of loans and borrowings		(42,432)	–	(42,432)
Transactions costs related to loans and borrowings		–	(1,827)	(1,827)
Interest paid		(20)	(3,186)	(3,206)
Total changes from financing cash flows		(2,673)	(5,013)	(7,686)
Effect of changes in foreign exchange rates		2,653	(28,130)	(25,477)
Other changes				
Liability-related				
Interest expense	8	20	2,221	2,241
Other finance costs	8	–	661	661
Total liability-related other changes		20	2,882	2,902
Balance at 31 December 2022		–	181,699	181,699

25. Asset retirement obligation

	Group	
	2023 US$'000	**2022** US$'000
At 1 January	54,350	38,327
Provision made during the year	–	22,455
Interest expense from unwinding of discount	499	328
Effect of exchange rate changes	(2,473)	(6,760)
Transfer of TK interests	(52,376)	–
	–	54,350

25. Asset retirement obligation (cont'd)

The Group recorded asset retirement obligation primarily associated with the estimated cost to reinstate sites involved in power generation.

Due to the long-term nature of the liability, the greatest uncertainty in estimating the provision was the costs that will be incurred. In particular, the Group assumed that the site would be restored using technology and materials that are available currently. In 2022, the provision had been calculated using a discount rate between 0.7% - 1.3%, which was the risk-free rate in the jurisdiction of the liability. The management expected cash outflows between 17 to 26 years after the commissioning of the power plants.

26. Trade and other payables

		Group		Trust	
	Note	**2023**	**2022**	**2023**	**2022**
		US$'000	US$'000	US$'000	US$'000
Non-current					
Deferred income		–	514	–	–
Current					
Trade payables		–	4,278	–	–
Other tax payables		–	3,829	–	–
Advances received		–	100	–	–
Accrued expenses		207	25,040	205	27
Non-trade amounts due to:					
- Asset Managers		516	36,449	–	–
- O&M Provider		–	1,567	–	–
- Related parties	(a)	402	1,554	158	38
- Other third parties		1,679	3,685	–	–
		2,804	76,502	363	65
		2,804	77,016	363	65

Trade payables are non-interest bearing and are generally settled on standard credit terms ranging up to 30 days (2022: up to 30 days).

(a) Amount due to related parties (as defined in Note 30) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

27. Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and non-trade receivables from related parties.

The carrying amount of financial assets in the statements of financial position represents the Group's and the Trust's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Trust do not hold any collateral in respect of its financial assets.

Trade receivables and contract assets

The Group's customers comprise mainly government or quasi-government offtakers of electricity, and a small number of private offtakers. Exposure to credit risk is influenced mainly by the individual characteristics of the offtaker and/or the government entity supporting the offtaker.

Most of the Group's customers have been transacting with the respective Group entities for over 1 year, and no impairment loss has been recognised against these customers.

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Exposure to credit risk

The maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

	Group Carrying amount	
	2023	**2022**
	US$'000	US$'000
Japan	–	11,533

Impairment

A summary of the exposure to credit risk for trade receivables is as follows:

	Group			
	2023		**2022**	
	Not credit-impaired	**Credit-impaired**	**Not credit-impaired**	**Credit-impaired**
	US$'000	US$'000	US$'000	US$'000
Japan	–	–	11,533	–
Total gross carrying amount	–	–	11,533	–
Loss allowance	–	–	(8)	–
	–	–	11,525	–

In 2022, the outstanding trade receivables and contract assets of the Group comprises of 5 customers which accounts for 100% of the trade receivables and contract assets.

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for trade receivables and contract assets

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and the loss rate ranges up to 0.42% (2022: up to 0.43%).

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 19. As of 31 December 2023 and 31 December 2022, there were no balances assessed to be credit-impaired. The Group does not require collateral in respect of trade receivables.

Movements in allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Group	
	2023	**2022**
	US$'000	US$'000
At 1 January	8	–
Impairment loss allowance recognised	–	8
Transfer of TK interests	(8)	–
At 31 December	–	8

Other receivables

Other receivables comprise mainly balances due from affiliates of the Group to which the Group has provided short term liquidity for strategic purposes.

Most of the Group's counterparties have been transacting with the respective Group entities for over 1 year, and no impairment loss has been recognised against these counterparties.

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for other receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and the loss rate ranges up to 0.82% (2022: up to 0.79%)

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date is the carrying value of other receivables disclosed in Note 19. As of 31 December 2023 and 2022, there were no balances assessed to be credit-impaired. The Group does not require collateral in respect of other receivables.

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	2023 US$'000	**2022** US$'000
At 1 January	534	147
Impairment loss allowance recognised	–	371
Transfer of TK interests	(531)	–
Effects of exchange rate changes	–*	16
At 31 December	3	534

* Amount less than US$1,000.

Expected credit loss assessment for loans receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High" and loss rate up to 0.42% (2022: up to 0.43%).

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The maximum exposure to credit risk at the reporting date is the carrying value of loans receivables disclosed in Note 17. As of 31 December 2023 and 31 December 2022, there were no balances assessed to be credit-impaired. The Group does not require collateral in respect of loans receivables.

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Cash and bank balances

The Group and the Trust held cash and bank balances of US$9.7 million and US$9.0 million at 31 December 2023 (2022: US US$177.3 million and US$23.3 million). The figure represents the maximum credit exposures on these assets. The cash and bank balances are held with bank and financial institution counterparties which are rated A- to A+ (2022: BBB- to A+), based on S&P Global ratings and nil (2022: A), based on Moody Corporation ratings.

Impairment on cash and bank balances has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties and is subject to immaterial loss.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by the Asset Managers to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Exposure to liquidity risk

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

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000	**More than 5 years** US$'000
Group					
31 December 2023					
Non-derivative financial liabilities					
Loan from related parties	(240)	(240)	–	–	–
Loan from Euro Medium Term Note Issuer	(8,684)	(87)	(8,597)	–	–
Trade and other payables*	(2,804)	(2,804)	–	–	–
	(11,728)	(3,131)	(8,597)	–	–

* Excludes non-financial liabilities

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000	**More than 5 years** US$'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Project finance debts	(1,186,914)	(115,927)	(115,035)	(295,158)	(660,794)
Bond issued by O&M Provider	(278)	(14)	–	–	(264)
Lease liabilities	(256,193)	(7,492)	(7,943)	(26,470)	(214,288)
Loan from related parties	(7,213)	(3,481)	(3,732)	–	–
Loan from Euro Medium Term Note Issuer	(187,133)	(1,909)	(1,909)	(183,315)	–
Trade and other payables*	(72,573)	(72,573)	–	–	–
	(1,710,304)	(201,396)	(128,619)	(504,943)	(875,346)
Derivative financial instruments					
Interest rate swaps (net settled)	(3,552)	(2,450)	(4,286)	(18,664)	21,848
	(1,713,856)	(203,846)	(132,905)	(523,607)	(853,498)

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000	**More than 5 years** US$'000
Trust					
31 December 2023					
Non-derivative financial liabilities					
Loan from related parties	(240)	(240)	–	–	–
Loan from Euro Medium Term Note Issuer	(8,684)	(87)	(8,597)	–	–
Trade and other payables*	(363)	(363)	–	–	–
	(9,287)	(690)	(8,597)	–	–

* Excludes non-financial liabilities

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Contractual cash flows US$'000	**12 months or less** US$'000	**1-2 years** US$'000	**2-5 years** US$'000	**More than 5 years** US$'000
Trust					
31 December 2022					
Non-derivative financial liabilities					
Loan from Euro Medium Term Note Issuer	(187,133)	(1,909)	(1,909)	(183,315)	–
Trade and other payables*	(65)	(65)	–	–	–
	(187,198)	(1,974)	(1,909)	(183,315)	–

* Excludes non-financial liabilities

Market risk

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

Currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The Group ensures that the net exposure to foreign currency risk is monitored on an ongoing basis and the Trust endeavours to keep the net exposure at an acceptable level.

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Currency risk (cont'd)

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	Group	
	2023	**2022**
	JPY	**JPY**
	US$'000	US$'000
Loans receivables	–	180,620
Cash and bank balances	9,645	23,819
Loan from related parties	(240)	–
Loan from Euro Medium Term Note Issuer	(8,348)	(183,003)
Trade and other payables	(1,681)	(1,805)
Net exposure	(624)	19,631

	Trust	
	2023	**2022**
	JPY	**JPY**
	US$'000	US$'000
Loans receivables	–	180,620
Cash and bank balances	8,959	23,263
Loan from related parties	(240)	–
Loan from Euro Medium Term Note Issuer	(8,348)	(183,003)
Net exposure	371	20,880

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Currency risk (cont'd)

Sensitivity analysis

A 5% strengthening of the dollar against the respective currencies at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit before tax	**Trust Profit before tax**
	US$'000	US$'000
31 December 2023		
JPY (5% strengthening)	31	(19)
JPY (5% weakening)	(31)	19
31 December 2022		
JPY (5% strengthening)	(982)	(1,044)
JPY (5% weakening)	982	1,044

In the case of a 5% weakening of the dollar against the respective currency, the effects are equal but with an opposite effect.

Interest rate risk

Interest rate risk refers to the risk faced by the Group as a result of fluctuations in interest rates. The Group manages some of its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group's main IBOR exposure at 31 December 2022 was indexed to yen TIBOR. The Group has no IBOR exposure as at 31 December 2023.

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Interest rate risk (cont'd)

Managing interest rate benchmark reform and associated risks (cont'd)

Overview (cont'd)

The Board of Directors monitors and manages the Group's transition to alternative rates. The Board evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial liabilities

JBA TIBOR Administration ("JBATA") announced that it would consult on its intention to retain the Japanese Yen TIBOR benchmark rate. After conducting a public consultation, JBATA has decided to continue to publish all tenors of the Japanese yen TIBOR going forward. The Group expects that Japanese Yen TIBOR will continue to exist as a benchmark rate for the foreseeable future. The total notional amounts of the Japanese Yen TIBOR indexed loans and borrowings as at 31 December 2022 was US$859.0 million (Note 24). There were no yen TIBOR indexed loans and borrowings as at 31 December 2023.

Exposure to interest rate risk

At the reporting date, the fixed and variable rate interest-bearing financial instruments that are subject to interest rate risk were as follows:

	Group Notional amount		**Trust Notional amount**	
	2023	**2022**	**2023**	**2022**
	US$'000	US$'000	US$'000	US$'000
Fixed rate instruments				
Financial liabilities				
- Bond issued by O&M Provider	–	(278)	–	–
- Lease liabilities	–	(220,367)	–	–
- Loan from related parties	(239)	(7,171)	(239)	–
- Loan from Euro Medium Term Note Issuer	(8,315)	(181,699)	(8,315)	(181,699)
- Project finance debts	–	(70,042)	–	–
	(8,554)	(479,557)	(8,554)	(181,699)
Variable rate instruments				
Financial liabilities				
- Project finance debts	–	(998,423)	–	–
Effect of interest rate swaps	–	487,998	–	–
	–	(510,425)	–	–

27. Financial instruments (cont'd)

Financial risk management (cont'd)

Interest rate risk (cont'd)

Non-derivative financial liabilities (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instrument, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Group Profit before tax	
	100 bp increase US$'000	**100 bp decrease** US$'000
31 December 2022		
Variable rate instruments	(9,984)	9,984
Interest rate swaps	4,880	(4,880)
Cash flow sensitivity (net)	(5,104)	5,104

As at 31 December 2023, the Group has no outstanding variable rate instruments and thus, has no resultant interest rate risk.

Capital management

The Group's objective in managing capital is to ensure a stable and strong capital base to maximise returns for its shareholders.

The Group defines capital as including all components of the unitholder's fund. The Group's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the Board of Directors' fiduciary duties towards the Group.

28. Fair value of financial instruments

Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Group measures instruments quoted in an active market at mid-price.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Additionally, it excludes fair value information for lease liabilities as it is not required.

At the reporting date, the fair values of trade and other receivables, cash and bank balances and trade and other payables are equivalent to the carrying amounts shown in the statement of financial position due to the short-term maturity of these financial instruments.

28. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

	Note	Carrying amount				Fair value			
		Designated at FVOCI US$'000	Amortised cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group									
31 December 2023									
Other investments	16	69,558	–	–	69,558	–	–	69,558	69,558
Trade and other receivables*	19	–	597	–	597				
Cash and bank balances	21	–	9,657	–	9,657				
		69,558	10,254	–	79,812				
Loans and borrowings	24	–	–	7,887	7,887	–	8,588	–	8,588
Other financial liabilities (net of advances)*	26	–	–	2,804	2,804				
		–	–	10,691	10,691				

* Excludes non-financial assets and liabilities

28. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	**Mandatorily at FVTPL** US$'000	**Amortised cost** US$'000	**Other financial liabilities** US$'000	**Total** US$'000	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
Group									
31 December 2022									
Trade and other receivables*	19	–	20,109	–	20,109				
Cash and bank balances	21	–	177,335	–	177,335				
Loans receivables	17	–	180,620	–	180,620	–	180,620	–	180,620
Derivative assets	20	18,146	–	–	18,146	–	18,146	–	18,146
		18,146	378,064	–	396,210				
Loans and borrowings	24	–	–	1,257,613	1,257,613	–	1,281,128	–	1,281,128
Other financial liabilities (net of advances)*	26	–	–	72,573	72,573				
		–	–	1,330,186	1,330,186				

* Excludes non-financial assets and liabilities

28. Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount			Fair value			
	Note	**Amortised cost** US$'000	**Other financial liabilities** US$'000	**Total** US$'000	**Level 1** US$'000	**Level 2** US$'000	**Level 3** US$'000	**Total** US$'000
Trust								
31 December 2023								
Cash and bank balances	21	8,959	–	8,959				
Loans and borrowings	24	–	7,887	7,887	–	8,588	–	8,588
Other financial liabilities (net of advances)*	26	–	363	363				
		–	8,250	8,250				
Trust								
31 December 2022								
Cash and bank balances	21	23,267	–	23,267				
Loans receivables	17	180,620	–	180,620	–	180,620	–	180,620
		203,887	–	203,887				
Loans and borrowings	24	–	181,699	181,699	–	183,003	–	183,003
Other financial liabilities (net of advances)*	26	–	65	65				
		–	181,764	181,764				

* Excludes non-financial assets and liabilities

28. Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other investments: Equity investments – at FVOCI	*Discounted cash flows:* The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Discount rate	The estimated fair value would increase (decrease) if the discount rate was lower (higher)
Interest rate swaps	*Swap models*: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

Type	Valuation technique
Loans and borrowings/Loans receivables	*Discounted cash flows:* The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

28. Fair value of financial instruments (cont'd)

Level 3 fair values

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

	2023 US$'000	**2022** US$'000
Equity investments – at FVOCI		
Beginning balance	–	–
Initial recognition of TK interests	109,174	–
Addition	28,912	–
Transfer of TK interests	(59,618)	–
Capital distribution from equity investment	(7,053)	–
Changes in fair value of equity investment through FVOCI	(1,857)	–
Ending balance	69,558	–

Sensitivity analysis

Equity investments – at FVOCI

At 31 December 2023, if the discount rate increased by 1% or decreased by 1%, the Group's other comprehensive income would have been US$6.6 million (2022: $Nil) lower or US$8.1 million (2022: $Nil) higher respectively.

This analysis assumes that all other inputs remain constant.

29. Commitments

Capital commitments

The Group entered into various contracts to construct renewable energy power plants. The total and remaining construction costs as at reporting date were:

	2023 US$'000	**2022** US$'000
Type of contracts		
Property, plant and equipment	–	222,694

30. Related parties

Zenith Japan Holdings Ltd (as Trustee of Zenith Japan Holdings Trust) is the beneficiary of Zenith Japan Trust acting by its trustee of Zenith Japan Ltd, which has entered into numerous Tokumei Kumiai arrangements that gives Zenith Japan Trust an economic interest in its subsidiaries' assets in Japan (the "Japanese Assets"). The Japanese Assets have entered into asset management agreements with certain Japanese companies owned by Vena Energy Holdings Pte. Ltd. As such, Zenith Japan Holdings Trust and its subsidiaries ("ZJHT Group"), Vena Energy Holdings Pte. Ltd. and its subsidiaries ("VEHPL Group") and Vena Energy Taiwan Holdings Pte. Ltd. and its subsidiaries ("VETHPL Group") have been determined as related parties in accordance with IAS 24 *Related Parties*. Accordingly, all mentions of related parties in the financial statements, except as otherwise defined refer to entities within ZJHT Group, VEHPL Group and VETHPL Group.

During the year, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial year:

	Group	
	2023	**2022**
	US$'000	US$'000
Asset management fees	2,209	4,172
Operations and maintenance costs	5,347	7,416
Outsourced accounting fees	240	240

Sale and leaseback

In 2022, the Group entered into sale and leaseback transactions with a related party of the Group, NRE Land Management GK, in respect of several freehold land parcels in Japan to transfer ownership and associated obligations relating to the land parcels to its related party. The freehold land parcels were sold at fair value and leased back over 20 to 35 years at market rentals.

The total consideration for the sale of the land parcels amounted to US$1.7 million. Right-of-use assets and lease liabilities relating to sale and leaseback transactions with related party amounted to US$3.7 million and US$3.6 million respectively.

There was no similar transaction during the financial year.

In 2022, the carrying amount of lease liabilities (Note 24) included US$16.1 million arising from sales and leaseback transactions with related parties. In 2023, there are no lease liabilities arising from transactions with related parties.

31. Non-controlling interests

As at 31 December 2023, non-controlling interests denotes Nippon Renewable Energy K.K.'s economic interest in fully paid up equity shares of all group entities domiciled in Japan.

In 2022, non-controlling interests denotes Nippon Renewable Energy K.K, Nippon Wind Energy K.K and Zeini Solar (S) Pte Ltd's economic interest in fully paid up equity shares of all group entities domiciled in Japan.

32. Subsequent event

Amendment to existing revolving credit facilities agreement

On 24 January 2024, Vena Energy Holdings Pte. Ltd., Vena Energy Taiwan Holdings Pte. Ltd., and Zenith Japan Holdings Trust (collectively, "the Borrowers") amended and restated the terms of their existing JPY52.8 billion (approximately US$364 million) corporate revolving credit facility (the "RCF"). The total commitment of the RCF has been expanded to JPY87.0 billion (approximately US$600 million) and the facility has a tenor of 5 years. The margin of the RCF is set at 1.0% with the potential to accomplish a further margin reduction if certain sustainability-related key performance indicators ("KPIs") are jointly achieved, or a margin increase in case all the KPIs are jointly missed.

33. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 10 May 2024.

VENA ENERGY

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