

Company Registration No. 200901920D

Infraco Asia Development Pte. Ltd. and its subsidiaries

Annual Financial Statements
31 December 2022



Infraco Asia Development Pte. Ltd. and its subsidiaries

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Infraco Asia Development Pte. Ltd. and its subsidiaries

Directors' statement

The directors present their statement to the members together with the audited consolidated financial statements of Infraco Asia Development Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; 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 of the Company in office at the date of this statement are:

Michael Barry Chilton	
Tinashe Tafadzwa Makoni	(appointed 30 April 2022)
Gilles Vaes	(appointed 30 April 2022)
Claudine Lim Hsi-Yun	(appointed on 28 June 2022)

Arrangements to enable directors to acquire shares and 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 or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

None of the directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

Infraco Asia Development Pte. Ltd. and its subsidiaries

Directors' statement

Share options

There were no options granted by the Group during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Group.

There were no unissued shares of the Group under option at the end of the financial year.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:



Michael Barry Chilton
Director



Tinashe Tafadzwa Makoni
Director

31 March 2023

Infraco Asia Development Pte. Ltd. and its subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2022**

Independent auditor's report to the members of Infraco Asia Development Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Infraco Asia Development Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and the consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 other information. The other information comprises the Directors' statement set out on pages 1 to 2.

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

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

Infraco Asia Development Pte. Ltd. and its subsidiaries

Independent auditor's report

For the financial year ended 31 December 2022

Independent auditor's report to the members of Infraco Asia Development Pte. Ltd.

Responsibilities of management and 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 and FRSs, 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 Company and 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' responsibilities include overseeing the Company and Group'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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with 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 Company and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Infraco Asia Development Pte. Ltd. and its subsidiaries

Independent auditor's report

For the financial year ended 31 December 2022

Independent auditor's report to the members of Infraco Asia Development Pte. Ltd.

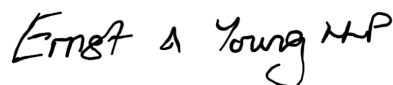
Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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 Company and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 control 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 those 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

31 March 2023

Infraco Asia Development Pte. Ltd. and its subsidiaries**Consolidated statement of comprehensive income
For the financial year ended 31 December 2022**

	Note	2022 US\$	2021 US\$
Other income	4	206,106	205,366
Finance income	5	585,553	1,201,572
Project related operating expenses		(15,328,527)	(14,400,106)
Administrative expenses		(2,486,060)	(3,267,029)
Loss on disposal of subsidiaries	22	(835,033)	—
Loss on disposal of joint ventures		(4,402)	—
Finance costs	5	(82,871)	(53,248)
Share of results of joint ventures		(1,212,249)	(2,853,209)
Loss before tax	6	(19,157,483)	(19,166,654)
Income tax expense	8	(81,933)	(114,230)
Loss for the year		(19,239,416)	(19,280,884)
Attributable to:			
Owners of the Company		(19,326,867)	(19,219,057)
Non-controlling interests		87,451	(61,827)
		(19,239,416)	(19,280,884)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(626,080)	(135,525)
Total other comprehensive income, net of tax		(626,080)	(135,525)
Total comprehensive income for the year		(19,865,496)	(19,416,409)
Attributable to:			
Owners of the Company		(19,967,330)	(19,348,375)
Non-controlling interests		101,834	(68,034)
Total comprehensive income for the year		(19,865,496)	(19,416,409)

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

Infracore Asia Development Pte. Ltd. and its subsidiaries**Balance sheets****As at 31 December 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		US\$	US\$	US\$	US\$
ASSETS					
Non-current assets					
Property, plant and equipment	9	2,918,836	1,356,810	221,769	344,239
Right-of-use assets	21	885,524	617,109	370,296	617,109
Investment in subsidiaries	10	—	—	34,265,822	35,791,845
Investments in joint ventures	11	12,135,784	9,341,592	—	—
Loans and debentures	12	4,186,563	7,908,882	—	—
Other receivables	13	1,415,424	908,936	—	—
Advance to developers	13	91,232	91,232	91,232	91,232
Deferred tax asset	8	1,194	13,420	—	—
		21,634,557	20,237,981	34,949,119	36,844,425
Current assets					
Loans and debentures	12	150,000	1,085,158	—	—
Amounts due from subsidiaries	13	—	—	69,489	361,269
Amounts due from related parties	13	826,950	409,940	826,950	409,940
Amounts due from joint ventures	13	1,591,592	1,125,381	43,426	32,261
Other receivables	13	419,956	451,185	22,781	203,651
Prepayments		252,536	139,479	82,931	101,717
Deposits	13	122,875	116,814	111,028	108,309
Cash and cash equivalents	14	41,734,831	48,073,186	31,167,228	35,105,689
Advance to developers	13	355,500	361,500	355,500	361,500
		45,454,240	51,762,643	32,679,333	36,684,336
Total assets		67,088,797	72,000,624	67,628,452	73,528,761

Infraco Asia Development Pte. Ltd. and its subsidiaries**Balance sheets****As at 31 December 2022**

		Group		Company	
	Note	2022	2021	2022	2021
		US\$	US\$	US\$	US\$
EQUITY AND LIABILITIES					
Non-current liabilities					
Deferred tax liability	8	96,651	119,694	–	–
Deferred income	17	51,203	87,347	51,203	87,347
Lease liability	15	730,099	428,739	129,929	428,739
		877,953	635,780	181,132	516,086
Current liabilities					
Lease liability	15	298,810	281,451	298,810	281,451
Deferred capital grant	16	3,817,972	1,056,391	94,027	90,852
Amounts due to related parties	17	16,093	77,734	16,093	77,734
Trade and other payables	17	4,168,985	2,915,081	3,255,177	2,288,701
Provision for tax		6,016	9,983	–	–
		8,307,876	4,340,640	3,664,107	2,738,738
Total liabilities		9,185,829	4,976,420	3,845,239	3,254,824
Equity attributable to owners of the Company					
Share capital	18	189,630,200	180,630,200	189,630,200	180,630,200
Share application monies	19	7,107,339	6,000,000	7,107,339	6,000,000
Translation reserve		(851,596)	(211,133)	–	–
Reserve on changes in non-controlling interests		(57,353)	(105,769)	–	–
Other reserve		–	(91,502)	–	–
Accumulated losses		(138,632,854)	(119,305,987)	(132,954,326)	(116,356,263)
		57,195,736	66,915,809	63,783,213	70,273,937
Non-controlling interests		707,232	108,395	–	–
Total equity		57,902,968	67,024,204	63,783,213	70,273,937
Total equity and liabilities		67,088,797	72,000,624	67,628,452	73,528,761

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

Infraco Asia Development Pte. Ltd. and its subsidiaries**Statements of changes in equity
For the financial year ended 31 December 2022**

	Share capital (Note 18)	Share application monies (Note 19)	Translation reserve	Reserve on changes in non- controlling interests	Other reserves	Accumulated losses	Reserve of disposal group classified as held for sale	Total attributable to owners of the Company	Non- controlling interests	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Group										
2022										
Opening as at 1 January 2022	180,630,200	6,000,000	(211,133)	(105,769)	(91,502)	(119,305,987)	–	66,915,809	108,395	67,024,204
Loss for the year	–	–	–	–	–	(19,326,867)	–	(19,326,867)	87,451	(19,239,416)
Foreign currency translation	–	–	(640,463)	–	–	–	–	(640,463)	14,383	(626,080)
Total comprehensive income for the year	–	–	(640,463)	–	–	(19,326,867)	–	(19,967,330)	101,834	(19,865,496)
<u>Contributions by and distributions to owners</u>										
Issuance of shares	9,000,000	(6,000,000)	–	–	–	–	–	3,000,000	–	3,000,000
Share application monies	–	7,107,339	–	–	–	–	–	7,107,339	–	7,107,339
Total contributions by and distributions to owners	9,000,000	1,107,339	–	–	–	–	–	10,107,339	–	10,107,339
<u>Changes in ownership interest</u>										
Disposal of subsidiaries	–	–	–	48,416	91,502	–	–	139,918	78,555	218,473
Contributions from non- controlling interests	–	–	–	–	–	–	–	–	418,448	418,448
Total changes in ownership interest	–	–	–	48,416	91,502	–	–	139,918	497,003	636,921
Total transactions with owners in their capacity as owners	9,000,000	1,107,339	–	48,416	91,502	–	–	10,247,257	497,003	10,744,260
At 31 December 2022	189,630,200	7,107,339	(851,596)	(57,353)	–	(138,632,854)	–	57,195,736	707,232	57,902,968

Infraco Asia Development Pte. Ltd. and its subsidiaries**Statements of changes in equity
For the financial year ended 31 December 2022**

	Share capital (Note 18)	Share application monies (Note 19)	Translation reserve	Reserve on changes in non- controlling interests	Other reserves	Accumulated losses	Reserve of disposal group classified as held for sale	Total attributable to owners of the Company	Non- controlling interests	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Group										
2021										
Opening as at 1 January 2021	171,548,011	8,855,091	(107,592)	(415)	(91,502)	(100,086,930)	(31,131)	80,085,532	127,983	80,213,515
Loss for the year	–	–	–	–	–	(19,219,057)	–	(19,219,057)	(61,827)	(19,280,884)
Foreign currency translation	–	–	(129,318)	–	–	–	–	(129,318)	(6,207)	(135,525)
Total comprehensive income for the year	–	–	(129,318)	–	–	(19,219,057)	–	(19,348,375)	(68,034)	(19,416,409)
<u>Contributions by and distributions to owners</u>										
Issuance of shares	9,082,189	(8,855,091)	–	–	–	–	–	227,098	–	227,098
Share application monies	–	6,000,000	–	–	–	–	–	6,000,000	–	6,000,000
Total contributions by and distributions to owners	9,082,189	(2,855,091)	–	–	–	–	–	6,227,098	–	6,227,098
<u>Changes in ownership interest</u>										
Changes in non-controlling interests without change of control	–	–	–	(48,446)	–	–	–	(48,446)	48,446	–
Total changes in ownership interest	–	–	–	(48,446)	–	–	–	(48,446)	48,446	–
Total transactions with owners in their capacity as owners	9,082,189	(2,855,091)	–	(48,446)	–	–	–	6,178,652	48,446	6,227,098
<u>Others</u>										
Reclassification from disposal group classified as held for sale (Note 23)	–	–	25,777	(56,908)	–	–	31,131	–	–	–
Total others	–	–	25,777	(56,908)	–	–	31,131	–	–	–
At 31 December 2021	180,630,200	6,000,000	(211,133)	(105,769)	(91,502)	(119,305,987)	–	66,915,809	108,395	67,024,204

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

Infraco Asia Development Pte. Ltd. and its subsidiaries**Statements of changes in equity
For the financial year ended 31 December 2022**

	Share capital (Note 18) US\$	Share application monies (Note 19) US\$	Accumulated losses US\$	Total US\$
Company				
2022				
At 1 January 2022	180,630,200	6,000,000	(116,356,263)	70,273,937
Loss representing total comprehensive income for the year	—	—	(16,598,063)	(16,598,063)
<u>Contributions by and distribution to owners:</u>				
Issuance of shares	9,000,000	(6,000,000)	—	3,000,000
Share application monies	—	7,107,339	—	7,107,339
Total contributions by and distributions to owners	9,000,000	1,107,339	—	10,107,339
Total transactions with owners in their capacity as owners	9,000,000	1,107,339	—	10,107,339
At 31 December 2022	189,630,200	7,107,339	(132,954,326)	63,783,213
2021				
At 1 January 2021	171,548,011	8,855,091	(97,148,184)	83,254,918
Loss representing total comprehensive income for the year	—	—	(19,208,079)	(19,208,079)
<u>Contributions by and distribution to owners:</u>				
Issuance of shares	9,082,189	(8,855,091)	—	227,098
Share application monies	—	6,000,000	—	6,000,000
Total contributions by and distributions to owners	9,082,189	(2,855,091)	—	6,277,098
Total transactions with owners in their capacity as owners	9,082,189	(2,855,091)	—	6,277,098
At 31 December 2021	180,630,200	6,000,000	(116,356,263)	70,273,937

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

Infraco Asia Development Pte. Ltd. and its subsidiaries**Consolidated cash flow statement
For the financial year ended 31 December 2022**

	Note	2022 US\$	2021 US\$
Operating activities			
Loss before tax		(19,157,483)	(19,166,654)
Adjustments for:			
Depreciation of property, plant and equipment	9	188,168	184,431
Depreciation of right-to-use assets	21	283,835	246,813
Fixed assets written off		534,006	–
Provision for/(reversal of) impairment loss on:			
- Investment in joint venture		(532,539)	5,032,643
- Other receivables		–	489,011
- Property, plant and equipment		–	428,682
- Amount due from joint venture		–	205,467
Share of results of joint ventures		1,212,249	2,853,209
Gain on disposal of property, plant and equipment	6	6,617	(415)
Loss on disposal of subsidiaries	22	835,033	–
Loss on disposal of joint ventures		4,402	–
Finance costs	5	82,871	53,248
Finance income	5	(585,553)	(1,201,572)
Fair value adjustments on debt securities		4,185,000	(1,611,221)
Operating cash flows before changes in working capital		(12,943,394)	(12,486,358)
Changes in working capital:			
(Decrease)/increase in amounts due from joint ventures		(466,211)	1,017,073
Decrease in advance to developer		6,000	363,294
Decrease in other receivables		1,252,262	240,171
Increase in prepayments		(113,057)	(48,156)
Increase in deposits		(6,061)	(5,491)
Increase/(decrease) in deferred capital grants		2,761,581	(325,361)
(Increase)/decrease in amount due from related parties		(478,651)	11,215
Increase/(decrease) in trade and other payables		1,354,195	(954,997)
Total changes in working capital		4,310,058	297,748
Cash flow used in operations		(8,633,336)	(12,188,610)
Income taxes paid		(117,060)	(20,164)
Net cash flows used in operating activities		(8,750,396)	(12,208,774)

Infracore Asia Development Pte. Ltd. and its subsidiaries**Consolidated cash flow statement
For the financial year ended 31 December 2022**

	Note	2022 US\$	2021 US\$
Investing activities			
Purchase of property, plant and equipment	9	(2,330,529)	(178,644)
Investment in joint ventures		(5,775,215)	(9,696,647)
Repayment of/(investment in) loans and debentures		–	2,506,774
Proceeds from disposal of property, plant and equipment		36,022	415
Proceeds from disposal of subsidiaries, net of cash disposed	22	94,198	–
Contributions from non-controlling interests		418,448	
Net cash flows used in investing activities		(7,557,076)	(7,368,102)
Financing activities			
Issuance of share capital		3,000,000	227,098
Share application monies received		7,107,339	6,000,000
Payment of lease liabilities		(312,713)	(321,590)
Net cash flows generated from financing activities		9,794,626	5,905,508
Net decrease in cash and cash equivalents		(6,512,846)	(13,671,368)
Foreign exchange		174,491	(63,513)
Cash and cash equivalents at beginning of the year		48,073,186	61,808,067
Cash and cash equivalents at end of the year		41,734,831	48,073,186

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

Infraco Asia Development Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2022

1. Corporate information

Infraco Asia Development Pte. Ltd. (the "Company") is a private limited company incorporated in Singapore.

The Company is 100% owned by the Private Infrastructure Development Group Trust (the PIDG Trust), a trust established under the laws of Mauritius. The Company's immediate and existing joint shareholders are SG Kleinwort Hambros Trust Company (UK) Limited, IQ EQ Trustees (Mauritius) Ltd and Minimax Ltd as trustees of the PIDG Trust.

The Company's ultimate controlling entity is the Private Infrastructure Development Group Trust (the PIDG Trust). The PIDG Trust does not prepare consolidated accounts. The PIDG Trust has delegated the authority to manage the Company to PIDG Limited, which is also a 100% owned subsidiary of the PIDG Trust.

The principal place of business and registered office are located at 8 Cross Street, #23-04/05, Manulife Tower, Singapore 048424 and 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 respectively.

The principal activity of the Company is that of developing infrastructure projects and investment holding. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US\$").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards and interpretations did not have any material impact on the financial performance or position of the Group.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.3 Standards issued but not yet effective**

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 and FRS Practice Statement 2 Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendment to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

2.4 Basis of consolidation and business combinations**(a) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary company are attributed to the non-controlling interest even if that results in a deficit balance.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.4 Basis of consolidation and business combinations (cont'd)****(b) Business combinations**

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss or as a change to other comprehensive income.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree (if any) at fair value or at the proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.8. In instances where the latter amount exceeds the former, the excess is recognized as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transaction with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.6 Foreign currency**

The financial statements are presented in United States Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.7 *Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment, other than land are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

All items of plant and equipment, except for construction in progress, are depreciated on a straight-line basis over the estimated useful life of the assets as follows:

Computer, IT equipment and software	– 3 to 5 years
Office equipment, furniture and fittings	– 3 to 5 years
Office renovation and fittings	– 4 to 5 years
Plant and machinery	– 3 to 16 years
Motor vehicles	– 3 years

Asset under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

Land has an unlimited useful life and therefore is not depreciated.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.8 Goodwill**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.9 Impairment of non-financial assets (cont'd)**

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2.12 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.12 Joint ventures and associates (cont'd)**

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in the associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 Financial instruments**(a) Financial assets**Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

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

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Infraco Asia Development Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2022

2. Summary of significant accounting policies (cont'd)

2.13 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The relevant measurement categories for classification of Group's debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or Fair Value through other Comprehensive Income ("FVOCI") are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Infraco Asia Development Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2022

2. Summary of significant accounting policies (cont'd)

2.13 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between carrying amounts and the consideration paid is recognised in profit or loss.

2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For loans and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.15 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposits that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 Provisions

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

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

2.17 Capital grants

Capital grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Capital grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are deducted in reporting the related expenses.

2.18 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit and loss over the expected useful life of the relevant assets by equal annual instalments.

Where the grant relates to income, the fair value shall be recognised in statement of comprehensive income on a systematic basis over the periods in which the entity recognises the related costs as expenses for which the grants are intended to compensate. The grants are deducted in reporting the related expenses.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.20 Employee benefits***(a) Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting period.

2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.21 Leases (cont'd)***As lessee (cont'd)*Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value (less than US\$50,000). Lease payments on short-term leases and leases of low value assets are recognised as expenses on a straight-line basis over the lease term.

Infraco Asia Development Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2022

2. Summary of significant accounting policies (cont'd)

2.22 Revenue

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

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

Interest income

Interest income is recognised using the effective interest method.

2.23 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.23 Taxes (cont'd)****(b) Deferred tax (cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.23 Taxes (cont'd)****(c) Sales tax**

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

- Where the sales tax incurred in 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 balance sheet.

2.24 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Infracore Asia Development Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2022

2. Summary of significant accounting policies (cont'd)

2.26 *Non-current assets held for sale and discontinued operations*

Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

If an entity has classified an asset as held for sale but the criteria are no longer met, the entity shall cease to classify the asset as held for sale.

The entity shall measure a disposal group that ceases to be classified as held for sale, at a lower of its carrying amount before the disposal group was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the disposal group not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

3. Significant accounting judgements and estimates (cont'd)**3.1 Judgements made in applying accounting policies**

In the process of applying the Group's accounting policies, management makes judgements, apart from those involving estimations, which affect the amounts recognised in the consolidated financial statements.

Classification of investments in joint ventures

Judgement is applied by management in assessing whether the Group has power to participate in financial and operating policy decisions of the investee and whether control or joint control exists. Based on the facts and circumstances, management concluded that the Group has joint control over these companies, and therefore follows the guidance of FRS 28 on classifying its investments in these companies as an investment in joint ventures.

3.2 Key sources of estimates and assumption uncertainty*(a) Provision for expected credit losses of loans and other receivables*

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future. The information about the ECLs on the Group's loans and other receivables is disclosed in Note 25.

(b) Fair value of financial instruments

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of model inputs regarding discount rate and energy generation value that are not supported by observable market data. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in Note 23.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****4. Other income**

Other income comprises recovery of expenses from a related entity, grants and other miscellaneous income.

5. Finance income/Finance costs

	Group	
	2022	2021
	US\$	US\$
<i>Finance income</i>		
Loans and debentures	434,711	1,139,966
Interest on bank deposits	150,842	61,606
	585,553	1,201,572
<i>Finance costs</i>		
Accretion of lease interests (Note 15)	82,871	51,303
Other finance costs	–	1,945
	82,871	53,248

6. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2022	2021
	US\$	US\$
Depreciation of plant and equipment (Note 9)	188,168	184,431
Depreciation of right-of-use asset (Note 21)	283,835	246,813
Loss/(gain) on disposal of property, plant and equipment	6,617	(415)
Consultancy and legal fees	2,705,100	837,152
Lease expenses (Note 21)	59,482	43,887
Foreign exchange loss/(gain) – realised	(49,975)	(18,987)
Foreign exchange loss/(gain) – unrealised	151,062	82,949
Staff costs (Note 7)	4,806,753	4,987,962
Provision for/(reversal of) impairment loss on:		
- Investment in joint ventures	(532,539)	5,032,643
- Other receivables	–	489,011
- Plant and equipment	–	428,682
- Amount due from joint ventures	–	205,467
Fixed assets written off	534,006	–
Development services	5,667,499	5,935,979
Forfeiture of deposit	–	(250,000)
Fair value loss/(gain) on debt securities	4,185,000	(1,611,221)

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****7. Staff costs**

Staff costs, included in both project related operating expenses and administrative expenses, comprise the following:

	Group	
	2022	2021
	US\$	US\$
Staff salaries	4,507,127	4,696,130
Central Provident Fund contribution	288,279	253,895
Directors' fees	11,347	37,937
	4,806,753	4,987,962

Key management personnel consist of the chief executive officer and the directors of the Company and their compensation are disclosed in Note 20.

The Jobs Support Scheme ("JSS") and Job Growth Incentive Payouts ("JGI") are schemes introduced in the Singapore Budget 2020 and 2021 respectively to help enterprises retain local employees as part of the COVID-19 Relief Measures. Under the JSS and JGI, employers will receive cash grants in relation to a portion of gross monthly wages of eligible employees during the qualifying period. During the year, a total grant of US\$85,062 (2021: US\$76,934) was received and deducted against the related expenses.

8. Income tax expense***Relationship between tax expense and accounting loss***

	Group	
	2022	2021
	US\$	US\$
<i>Current income tax</i>		
Current year	95,841	12,198
(Over)/under provision in prior years	(3,091)	12,508
	92,750	24,706
<i>Deferred tax</i>		
Origination and reversal of temporary difference	(10,817)	89,524
	81,933	114,230

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****8. Income tax expense (cont'd)**

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 are as follows:

	Group	
	2022	2021
	US\$	US\$
Loss before tax	(19,157,483)	(19,166,654)
Tax calculated at tax rate of 17% (2021:17%)	(3,256,772)	(3,258,331)
Adjustments:		
Deferred tax assets not recognised	1,810,610	1,908,039
Income not subjected to tax	–	(538,829)
Non-deductible expenses	566,460	1,020,454
Losses not available for carry forward	758,862	485,343
Share of results of joint ventures	206,082	485,046
(Over)/under provision in prior years	(3,091)	12,508
Others	(218)	–
Income tax expense recognised in profit or loss	81,933	114,230

Deferred tax as at 31 December relates to the following:

	2022	2021
	US\$	US\$
<i>Deferred tax asset:</i>		
Provisions	1,194	13,420
<i>Deferred tax liability:</i>		
Unremitted foreign interest income	(96,651)	(119,694)

Unabsorbed tax losses

As at 31 December 2022, the Group has unabsorbed tax losses of approximately US\$106.3 million (2021: US\$95.7 million) available for set off against future taxable profits of the Group for which no deferred tax is recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****9. Property, plant and equipment**

	Land	Computer, IT equipment and software	Office equipment, furniture and fittings	Construction in progress	Office renovation and fittings	Plant and machinery	Motor vehicles	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Group								
Cost								
As at 1 January 2021	–	279,884	61,633	923,749	282,812	554	–	1,548,632
Additions	–	82,688	360	75,809	3,678	16,109	–	178,644
Disposal	–	(7,038)	–	–	–	–	–	(7,038)
Reclassified from assets held for sale	431,591	5,066	12,402	–	27,225	15,946	2,230	494,460
Exchange differences	–	(14)	(10)	(9,246)	–	(11)	–	(9,281)
Reclassification	–	–	–	(456,697)	–	456,697	–	–
As at 31 December 2021 and 1 January 2022	431,591	360,586	74,385	533,615	313,715	489,295	2,230	2,205,417
Additions	–	252,327	23,020	2,054,832	–	350	–	2,330,529
Disposal	–	(63,117)	(8,822)	–	(30,250)	(32,598)	(2,230)	(137,017)
Written off	–	–	–	(534,006)	–	–	–	(534,006)
Exchange differences	–	(3,376)	(314)	(1,378)	–	–	–	(5,068)
As at 31 December 2022	431,591	546,420	88,269	2,053,063	283,465	457,047	–	3,859,855

Infracore Asia Development Pte. Ltd. and its subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2022
9. Property, plant and equipment (cont'd)

	Land	Computer, IT equipment and software	Office equipment, furniture and fittings	Construction in progress	Office renovation and fittings	Plant and machinery	Motor vehicles	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Group								
<i>Accumulated depreciation and impairment loss</i>								
As at 1 January 2021	–	115,266	19,583	–	88,723	255	–	223,827
Depreciation charge for the year	–	68,494	15,943	–	62,796	36,455	743	184,431
Impairment loss	–	529	–	–	–	428,153	–	428,682
Disposal	–	(7,038)	–	–	–	–	–	(7,038)
Reclassified from assets held for sale	–	2,240	7,062	–	4,175	4,510	743	18,730
Exchange differences	–	(13)	(6)	–	–	(6)	–	(25)
As at 31 December 2021 and 1 January 2022	–	179,478	42,582	–	155,694	469,367	1,486	848,607
Depreciation charge for the year	–	106,138	15,961	–	60,538	5,162	369	188,168
Disposal	–	(54,872)	(7,738)	–	(13,497)	(17,794)	(1,855)	(95,756)
As at 31 December 2022	–	230,744	50,805	–	202,735	456,735	–	941,019
<i>Net carrying amount</i>								
As at 31 December 2022	431,591	315,676	37,464	2,053,063	80,730	312	–	2,918,836
As at 31 December 2021	431,591	181,108	31,803	533,615	158,021	19,928	744	1,356,810

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****9. Property, plant and equipment (cont'd)*****Impairment loss***

For the financial year ended 31 December 2022, no impairment losses have been recognised. In 2021, impairment losses of US\$428,682 were recognised in the profit or loss due to adverse project progress experienced by the Group's investee where the Group had determined that the future project development is not certain.

Company	Computer, IT equipment and software US\$	Office equipment, furniture and fittings US\$	Office renovation and fittings US\$	Total US\$
Cost				
As at 1 January 2021	278,482	61,101	282,812	622,395
Additions	79,394	—	—	79,394
Disposals	(7,038)	—	—	(7,038)
As at 31 December 2021 and 1 January 2022	350,838	61,101	282,812	694,751
Additions	30,267	—	—	30,267
Disposals	(56,910)	—	—	(56,910)
As at 31 December 2022	324,195	61,101	282,812	668,108
Accumulated depreciation				
As at 1 January 2021	114,568	19,316	88,722	222,606
Depreciation charge for the year	65,877	12,260	56,807	134,944
Disposals	(7,038)	—	—	(7,038)
As at 31 December 2021 and 1 January 2022	173,407	31,576	145,529	350,512
Depreciation charge for the year	76,154	12,226	56,807	145,187
Disposals	(49,360)	—	—	(49,360)
As at 31 December 2022	200,201	43,802	202,336	446,339
Net carrying amount				
As at 31 December 2022	123,994	17,299	80,476	221,769
As at 31 December 2021	177,431	29,525	137,283	344,239

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****10. Investment in subsidiaries**

	Company	
	2022	2021
	US\$	US\$
Unquoted equity shares, at cost	100,035	100,034
Amounts due from subsidiaries*	59,215,523	62,301,030
	<hr/>	<hr/>
	59,315,558	62,401,064
Less: Allowance for impairment	(25,049,736)	(26,609,219)
	<hr/>	<hr/>
	34,265,822	35,791,845
	<hr/>	<hr/>

* The settlement of the amounts due from subsidiaries is at the discretion of the subsidiaries. Consequentially, these amounts form part of the Company's net investment in the subsidiaries.

Movement in allowance account:

At 1 January	(26,609,219)	(15,819,787)
Reclassified from amount due from subsidiaries (Note 13)	(110,540)	(3,963)
Amounts due from subsidiaries	(6,458,066)	(7,776,374)
Disposal of subsidiaries	8,128,089	—
Reclassified from held for sale	—	(3,009,095)
	<hr/>	<hr/>
At 31 December	(25,049,736)	(26,609,219)
	<hr/>	<hr/>

During the current financial year, management performed an impairment testing on the Company's investments in subsidiaries. Based on the assessment of the subsidiaries' historical and current performance, as well as the probability of future cash flows, the Company has made an allowance for impairment against the investment in subsidiaries amounting to US\$6,458,066 (2021: US\$7,776,374), representing the write-down of the subsidiaries to its recoverable amount.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****10. Investment in subsidiaries (cont'd)*****Composition of the Group***

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the Company				
Infraco India Affordable Housing Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Himalayan Hydro Pte. Ltd.	Singapore	Investment holding	100	100
Agmark Asia Pte. Ltd.	Singapore	Investment holding	— ⁽¹⁾	100
Infraco Cambodia Cold Chain Pte. Ltd.	Singapore	Investment holding	100	100
Recogen Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Luzon Hydro Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia India Hydro Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia SL Biomass Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Vietnam Ninh Thuan Solar Pte. Ltd. ⁽²⁾	Singapore	Investment holding	100	100
Infraco VietAqua Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Pte. Ltd (fka Infraco Bangladesh Clean Cooking Pte. Ltd.)	Singapore	Investment holding	100	100
Infraco Cambodia Water Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Nepal Solar Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Myanmar Telco Energy Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Myanmar Yaeni Power Pte. Ltd. ⁽²⁾	Singapore	Investment holding	100	100
Infraco Myanmar Agri Processing Pte. Ltd. ⁽²⁾	Singapore	Investment holding	100	100
Infraco Philippines Solar Pte. Ltd. (fka Infraco Myanmar Hybrid Seed Pte. Ltd.)	Singapore	Investment holding	100	100

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****10. Investment in subsidiaries (cont'd)*****Composition of the Group (cont'd)***

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the Company (cont'd)				
Infraco Myanmar Rice Husk Briquette Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Myanmar Wind Power Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Philippines Smart Solar Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Vietnam Wind Co Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Vietnam Solar Co Pte. Ltd. ⁽²⁾	Singapore	Investment holding	100	100
Infraco Cambodia Agri Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Indonesia Hybrid Power Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Indonesia River Hydro Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Hydroponics Farm Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Bangladesh Solar PV Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia KPK Hydro Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Bangladesh Solar Nano Grid Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Narmada Biomass Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Durgapur Low Cost Housing Pte. Ltd.	Singapore	Investment holding	— ⁽¹⁾	100

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****10. Investment in subsidiaries (cont'd)*****Composition of the Group (cont'd)***

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the Company (cont'd)				
Infraco Asia Holdings Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Pakistan Sunrise Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Philippines Energy Co Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Indonesia Wind Energy Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Green Asia Pte Ltd.	Singapore	Infrastructure engineering design and consultancy services	100 ⁽³⁾	—
Infraco Sustainability SEA Pte. Ltd.	Singapore	Infrastructure engineering design and consultancy services	100 ⁽³⁾	—
Infraco Sustainability South Asia Pte. Ltd.	Singapore	Infrastructure engineering design and consultancy services	100 ⁽³⁾	—

⁽¹⁾ During the year, the Company has disposed of the subsidiaries. Refer to Note 22 for details.

⁽²⁾ The subsidiaries are currently undergoing liquidation.

⁽³⁾ The Company has incorporated the subsidiaries with a share capital of US\$1.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****10. Investment in subsidiaries (cont'd)*****Composition of the Group (cont'd)***

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the subsidiaries				
Evergreen Renewables Pte. Ltd.	Singapore	Investment holding	95	95
Evergreen Renewables Co., Ltd.	Myanmar	Development of infrastructure projects and provision of construction, technical, operational and management advice and services	95	95
Angkor Harvest Co., Ltd	Cambodia	Processing of mangoes	88.5	99.9
Phnom Sruoch Land Development Co., Ltd.	Cambodia	Land leasing company	49	49
Infraco Indonesia Hybrid 1 Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Indonesia Hybrid 2 Pte. Ltd.	Singapore	Investment holding	100	100
Junga Farmgenics Pvt Ltd	India	Development and operation of commercial horticulture facilities based on concept of hydroponics	— ^(a)	76.6
Khmer Cold Chain Company Limited	Cambodia	Development of infrastructure projects and provision of construction, technical, operational and management advice and services	100	100

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****10. Investment in subsidiaries (cont'd)*****Composition of the Group (cont'd)***

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the subsidiaries				
Infraco Myanmar Wind Power Co., Ltd.	Myanmar	Development of infrastructure projects and provision of construction, technical, operational and management advice and services	100	100
Ba Tang Wind Vietnam Co. Ltd.	Vietnam	To develop own and manage energy, power and infrastructure related projects	100 ^(b)	—
PT Damar Jaya Utama	Indonesia	To develop own and manage energy, power and infrastructure related projects	100 ^(b)	—
PT Mayes Jaya Utama	Indonesia	To develop own and manage energy, power and infrastructure related projects	100 ^(b)	—
Simple Energy Private Ltd.	Nepal	To develop own and manage energy, power and infrastructure related projects	74	74

^(a) During the year, the indirect subsidiary was disposed of. Refer to Note 22 for details.

^(b) During the year, the indirect subsidiaries were incorporated.

As at the reporting date, the Group does not have any subsidiaries that have non-controlling interest that are material to the Group.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****11. Investments in joint ventures**

The Group's investment in joint ventures are summarised below:

	Group	
	2022	2021
	US\$	US\$
<u>Material joint ventures</u>		
Prism Energy Private Ltd	3,024,041	3,309,413
Darco Infraco Vietnam Water Pte. Ltd and its subsidiaries	4,825,879	2,104,348
IABA Housing Private Ltd	—*	3,846,259
Less: Allowance for impairment	—*	(3,846,259)
	7,849,920	5,413,761
<u>Non-material joint ventures</u>		
Other joint ventures	9,369,791	10,120,605
Less: Allowance for impairment	(5,083,927)	(6,192,774)
	4,285,864	3,927,831
	12,135,784	9,341,592
 <i>Movement in allowance account</i>		
At 1 January	(10,039,033)	(5,006,390)
Reversal/(Provision) for impairment loss	532,539	(5,032,643)
Disposal of joint ventures	4,422,567	—
At 31 December	(5,083,927)	(10,039,033)

* joint venture has been disposed during the financial year ended 31 December 2022.

(a) Composition of the Group's joint ventures

Name of joint venture	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the subsidiaries				
Kota Agri Market Private Ltd	India	Establishing warehouse facilities for storage, quality control and packing facilities	— ⁽¹⁾	52
Gurans Energy Ltd	Nepal	To develop own and manage energy, power and infrastructure related projects	60	60
Green Solar Energy Pte. Ltd.	Singapore	Investment holding	70	70

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****11. Investments in joint ventures (cont'd)****(a) Composition of the Group's joint ventures (cont'd)**

Name of joint venture	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the subsidiaries (cont'd)				
Global Clean Hybrid Energy Corp.	Philippines	To construct and develop energy, power and infrastructure related projects	— ⁽²⁾	40
Markhor Hydro Holdings Pte. Ltd.	Singapore	Investment holding	74	74
Nano Solar Ltd	Bangladesh	To develop own and manage energy, power and infrastructure related projects	55	55
IABA Housing Private Ltd	India	Development of affordable housing projects	— ⁽¹⁾	80.8
Indonesia Hybrid Power Pte. Ltd.	Singapore	To develop own and manage energy, power and infrastructure related projects	85.2	85.2
Darco Infraco Vietnam Water Pte. Ltd.	Singapore	Investment holding	49	49
Good Briquette Company Pte. Ltd.	Singapore	Investment holding	— ⁽²⁾	60
Real Energy Infrastructure Ltd	India	To develop own and manage energy, power and infrastructure related projects	— ⁽²⁾	64.3
PT Energi Banyu Kencana	Indonesia	Development of infrastructure projects and provision of construction, technical, operational and management advice and services	65	65
Philippines Smart Solar Pte. Ltd.	Singapore	To develop electricity generation related projects	79.4	79.4

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****11. Investments in joint ventures (cont'd)****(a) Composition of the Group's joint ventures (cont'd)**

Name of joint venture	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the subsidiaries (cont'd)				
Island Hybrid Power Corp	Philippines	To construct and develop energy, power and infrastructure related projects	16	16
PT Hibrid Nusantara Pertama	Indonesia	To develop own and manage energy, power and infrastructure related projects	71.3	71.3
Prism Energy Private Ltd	Pakistan	To develop renewable energy and infrastructure related projects	70	70
Held by the joint ventures				
Kabeli Energy Limited	Nepal	To develop own and manage energy, power and infrastructure related projects	43.4	43.4
Markhor Rathi Gali – HPP (Pvt.) Ltd.	Pakistan	To develop own and manage energy, power and infrastructure related projects	36.3	36.3
Markhor Sakhra I – HPP (Pvt.) Ltd.	Pakistan	To develop own and manage energy, power and infrastructure related projects	36.3	36.3
Markhor Sakhra II – HPP (Pvt.) Ltd.	Pakistan	To develop own and manage energy, power and infrastructure related projects	36.3	36.3
Markhor Bankhwar HPP (Pvt.) Ltd.	Pakistan	To develop own and manage energy, power and infrastructure related projects	36.3	36.3

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****11. Investments in joint ventures (cont'd)****(a) Composition of the Group's joint ventures (cont'd)**

Name of joint venture	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Held by the joint ventures (cont'd)				
Markhor Gabral Utror HPP (Pvt.) Ltd.	Pakistan	To develop own and manage energy, power and infrastructure related projects	36.3	36.3
PT Hybrid Power Solutions Indonesia	Indonesia	To develop own and manage energy, power and infrastructure related projects	85.3	85.3
Darco Viet Water Company Ltd	Vietnam	Investment holding	49	49
Darco Nghe An Company Ltd	Vietnam	To develop own and manage energy, power and infrastructure related projects	44.1	44.1
Darco Ha Tinh Company Ltd	Vietnam	To develop own and manage energy, power and infrastructure related projects	44.1	44.1
Darco Ba Lai Water Supply Company Ltd	Vietnam	To develop own and manage energy, power and infrastructure related projects	46.6	46.6
Good Briquette Company Limited	Myanmar	To develop rice husk briquetting factories	— ⁽²⁾	60
Greentech Solar Energy Ltd	Bangladesh	To develop own and manage energy, power and infrastructure related projects	70	70

(1) During the year, the Company has sold the joint venture together with the subsidiary. Refer to Note 22 on the detail of disposal.

(2) During the year, the Company has sold the joint ventures and recorded a loss on disposal of U\$4,402.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****11. Investment in joint ventures (cont'd)****(b) Financial information of material and non-material joint ventures**

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	Group	
	2022	2021
	US\$	US\$
Loss after tax, representing total comprehensive income	775,131	2,075,951

The summarised financial information of material joint ventures, and reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised balance sheet

	Prism Energy Private Ltd		Darco Infraco Vietnam Water Pte. Ltd and its subsidiaries	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Cash and cash equivalents	241,471	1,461,424	2,113,471	2,923,399
Current assets	401,308	1,480,174	3,313,792	4,260,879
Non-current assets	3,702,339	3,289,755	6,356,740	2,146,064
Total assets	4,103,647	4,769,929	9,670,532	6,406,943
Other current liabilities	1,776,459	1,787,753	2,491,897	2,464,196
Non-current liabilities	–	5,649	2,502,984	–
Total liabilities	1,776,459	1,793,402	4,994,881	2,464,196
Net assets	2,327,188	2,976,527	4,675,651	3,942,747
Less: non-controlling interest	–	–	(274,967)	(3,993)
Net assets after NCI	2,327,188	2,976,527	4,400,684	3,938,754
Proportion of the Group's ownership	70.00%	70.00%	49.00%	49.00%
Group's share of net assets	1,629,032	2,083,569	2,156,335	1,929,989
Goodwill on acquisition	–	–	177,502	177,502
Advances to joint venture	1,395,009	1,225,844	2,500,000	–
Others	–	–	(7,960)	(3,143)
Carrying amount of the investments	3,024,041	3,309,413	4,825,877	2,104,348

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****11. Investment in joint ventures (cont'd)****(b) Financial information of material and non-material joint ventures (cont'd)***Summarised statement of comprehensive income*

	Prism Energy Private Ltd		Darco Infraco Vietnam Water Pte. Ltd and its subsidiaries	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Revenue	138,821	40,438	–	1,015,127
Depreciation and amortisation	–	(3,569)	–	(13,121)
Loss after tax	(391,483)	(1,246,918)	(494,555)	(60,024)
Total Comprehensive Income	(391,483)	(1,246,918)	(547,897)	(22,350)

12. Loans and debentures

	Group	
	2022	2021
	US\$	US\$
Non-current		
<i>At fair value through profit or loss:</i>		
Unquoted debt securities consisting of:		
- Compulsory convertible debentures	4,186,563	7,436,563
- Optionally fully convertible debentures	–	472,319
	<u>4,186,563</u>	<u>7,908,882</u>
Current		
<i>At fair value through profit or loss:</i>		
Unquoted debt securities consisting of:		
- Convertible loans	<u>150,000</u>	<u>1,085,158</u>

Compulsory convertible debentures

The compulsory convertible debentures are unsecured debentures and bear interest at the effective interest rate of 6.25% (2021: 6.25%) per annum. The remaining undrawn commitment amounts to approximately US\$0.1 million (2021: US\$0.1 million).

The compulsory convertible debentures are convertible to ordinary shares of the issuer by way of mandatory conversion at the end of 10 years or voluntary conversion, at the option of the holders at any time prior to mandatory conversion.

As at the reporting date, a fair value loss of US\$3,250,000 (2021: fair value gain of US\$2,528,553) was recognised in profit or loss within the 'project related operation expenses' line in respect of the compulsory convertible debentures held by the Group.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022**

12. Loans and debentures (cont'd)*Optionally fully convertible debentures*

The optionally fully convertible debenture ("OFCD") was an unsecured debenture and interest bearing at the effective interest rate of 4.0% (2021: 4.0%) per annum.

The optionally fully convertible debenture has been derecognised as part of the disposal of the subsidiary.

In 2021, fair value loss of US\$949,989 was recognised in profit or loss within the 'project related operation expenses' line in respect of the OFCDs.

Convertible loans

The convertible loans are unsecured, interest-bearing at the effective interest rates of 6% (2021: 6% to 12.5%) per annum and are repayable within the next 12 months.

The convertible loans carry a right to elect for conversion of the outstanding amount of the loan (including interest accrued) or any part thereof into ordinary shares of the borrower's Company at any time.

As at the reporting date, a fair value loss of US\$935,000 (2021: US\$32,657) was recognised in profit or loss within the 'project related operation expenses' line in respect of the convertible loan held by the Group.

Loan and debentures that are denominated in foreign currency at 31 December are as follows:

	Group	
	2022	2021
	US\$	US\$
Indian Rupee	4,186,563	7,908,882

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****13. Other receivables, advances to developers, amount due from related parties/joint ventures and deposits**

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Current:				
<i>Other receivables</i>				
Value-added taxes receivables	(1,160)	120,642	(1,160)	120,642
Others	1,116,206	1,025,633	23,941	83,009
Less: Allowance for impairment	(695,090)	(695,090)	–	–
	421,116	330,543	23,941	83,009
Total other receivables	419,956	451,185	22,781	203,651
Amounts due from subsidiaries	–	–	106,382	508,702
Less: Allowance for impairment	–	–	(36,893)	(147,433)
	–	–	69,489	361,269
Amount due from joint ventures	1,795,668	1,330,848	43,426	33,652
Less: Allowance for impairment	(204,076)	(205,467)	–	(1,391)
	1,591,592	1,125,381	43,426	32,261
Amounts due from related parties	826,950	409,940	826,950	409,940
Deposits	122,875	116,814	111,028	108,309
Advance to developers	355,500	361,500	355,500	361,500
Total receivables (current)	3,316,873	2,464,820	1,429,174	1,476,930
Non-current:				
Other receivables	3,367,976	2,372,477	–	–
Less: Allowance for impairment	(1,952,552)	(1,463,541)	–	–
	1,415,424	908,936	–	–
Advance to developers	145,218	145,218	145,218	145,218
Less: Allowance for impairment	(53,986)	(53,986)	(53,986)	(53,986)
Total receivables (non-current)	91,232	91,232	91,232	91,232
Total receivables	4,823,529	3,464,988	1,520,406	1,568,162

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****13. Other receivables, advances to developers, amount due from related parties/joint ventures and deposits (cont'd)***Related parties balances*

Amounts due from subsidiaries, related parties and joint ventures are non-trade related, unsecured, non-interest bearing, repayable upon demand and denominated in United States Dollars.

Advance to developers

Advance to developers relate to advance working capital provided to the Company's project developers. The advances are unsecured, non-interest bearing, denominated in United States Dollars and repayable upon the expiry of the developer services agreements or early termination of the developer services agreement.

Movement in allowance accounts:

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
As at 1 January	2,418,084	1,493,606	202,810	78,963
Reclassified to investment in subsidiaries (Note 10)	–	–	(110,540)	(3,963)
Charge/(reversal) for the year pertaining to:				
Amount due from subsidiaries	–	–	–	115,793
Other receivables	489,011	489,011	–	–
Amount due from joint ventures	–	205,467	–	1,391
Write-off	–	–	–	–
Disposal of joint venture	(1,391)	–	(1,391)	–
Reclassified from held for sale	–	230,000	–	10,626
As at 31 December	2,905,704	2,418,084	90,879	202,810

Other receivables, advances to developers, amount due from related parties/joint ventures and deposits related receivables that are denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Singapore Dollars	117,809	236,784	109,868	228,952
Indian Rupee	903,479	905,724	–	–

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****14. Cash and cash equivalents**

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Cash at banks	35,487,223	48,013,914	26,107,628	35,046,417
Short-term deposits	6,247,608	59,272	5,059,600	59,272
Cash and cash equivalents	41,734,831	48,073,186	31,167,228	35,105,689

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods within one month and earn interest at the respective short-term deposit rates. The interest rates earned by the Group during the year range from 0.1% to 3.81% (2021: 0.10% to 0.25%).

Included in the cash and cash equivalent is the amount of US\$24,478 (2021: US\$138,261) held in Myanmar which is subject to the sanctions in the country.

Cash and cash equivalents that are denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Singapore Dollars	1,350,306	956,550	1,339,940	956,550
Great British Pounds	15,693	28,187	15,693	28,187
Indian Rupee	20,846	672,380	–	–

15. Lease liability

Set out below are the carrying amounts of lease liability recognised and the movements during the financial year:

Group

A reconciliation of liabilities arising from financing activities is as follows:

	1 January	Cash flows	Additions	Non-cash changes		31 December
	US\$	US\$	US\$	Accretion of interests US\$	Others US\$	US\$
2022						
Lease liabilities						
- Current	281,451	(312,713)	–	34,951	295,121	298,810
- Non-current	428,739	–	552,250	47,920	(298,810)	730,099
Total	710,190	(312,713)	552,250	82,871	(3,689)	1,028,909

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****15. Lease liability (cont'd)****Group (cont'd)**

	1 January	Cash flows	Non-cash changes		31 December
			Accretion of interests	Others	
	US\$	US\$	US\$	US\$	US\$
2021					
Lease liabilities					
- Current	265,018	(321,590)	51,303	286,720	281,451
- Non-current	710,272	—	—	(281,533)	428,739
Total	975,290	(321,590)	51,303	5,187	710,190

Company

A reconciliation of liabilities arising from financing activities is as follows:

	1 January	Cash flows	Non-cash changes		31 December
			Accretion of interests	Others	
	US\$	US\$	US\$	US\$	US\$
2022					
Lease liabilities					
- Current	281,451	(312,713)	31,262	(298,810)	298,810
- Non-current	428,739	—	—	(298,810)	129,929
Total	710,190	(312,713)	31,262	—	428,739

	1 January	Cash flows	Non-cash changes		31 December
			Accretion of interests	Others	
	US\$	US\$	US\$	US\$	US\$
2021					
Lease liabilities					
- Current	265,018	(321,590)	51,303	286,720	281,451
- Non-current	710,272	—	—	(281,533)	428,739
Total	975,290	(321,590)	51,303	5,187	710,190

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****16. Deferred capital grants**

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Deferred capital grants	3,817,972	1,056,391	94,027	90,852

Deferred capital grants relate to grants received from shareholders to partially fund certain costs incurred in specific projects developed by the Group. During the year, the total grant received from shareholders amounts to US\$2,761,581 (2021: US\$56,082).

17. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Current:				
Trade payables	232,472	995,062	111,996	945,452
Other payables	249,521	146,645	37,649	46,796
Accruals	3,686,992	1,773,374	3,105,532	1,296,453
Trade and other payables	4,168,985	2,915,081	3,255,177	2,288,701
Amount due to related parties	16,093	77,734	16,093	77,734
	4,185,078	2,992,815	3,271,270	2,366,435
Non-current:				
Deferred income	51,203	87,347	51,203	87,347
	4,236,281	3,080,162	3,322,473	2,453,782

Trade and other payables

Trade and other payables are non-interest bearing and are usually settled within a 90-day period.

Amount due to related parties

Amount due to related parties are non-trade related, unsecured, non-interest bearing, repayable upon demand and denominated in United States Dollars.

Deferred income

Deferred income relates to the amounts received from related companies for their share of the office renovation and fit-out. The deferred income will be recognised in profit or loss over a period of 5 years coinciding with the useful life of the office renovation and fittings.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****17. Trade and other payables (cont'd)**

Trade and other payables and amount due to related parties that are denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Singapore Dollars	1,422,425	1,383,090	931,589	1,030,665
Great British Pounds	16,093	77,734	16,093	77,734
Indian Rupee	—	22,340	—	—

18. Share capital

	Group and Company			
	2022		2021	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares:				
As at 1 January	126,890,039	180,630,200	120,119,906	171,548,011
Issuance during the year	6,742,553	9,000,000	6,770,133	9,082,189
As at 31 December	133,632,592	189,630,200	126,890,039	180,630,200

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

19. Share application monies

	Group and Company	
	2022	2021
	US\$	US\$
<i>Movement in share application monies:</i>		
At 1 January	6,000,000	8,855,091
Injection of funds by shareholders of the Company during the year	7,107,339	6,000,000
Issuance of ordinary shares during the year	(6,000,000)	(8,855,091)
At 31 December	7,107,339	6,000,000

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****20. Related party transactions****(a) Reimbursements and grants**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group and Company	
	2022	2021
	US\$	US\$
Grant received/receivable as reimbursement from shareholders	1,204,991	1,169,085
Recharge of expenses to related companies [#]	2,520,584	1,198,829
Administration charges paid/payable to a related company [#]	2,089,330	1,959,217
Recharge of project expenses to joint ventures	179,109	405,236

[#] The related companies refer to companies under common shareholders of the Group.

(b) Compensation of directors and key management personnel

	Group and Company	
	2022	2021
	US\$	US\$
<i>Comprise amounts paid to:</i>		
Directors and other key management personnel of the Company	377,153	462,496

21. Right-of-use assets**As a lessee**

The Group has lease contract for office and land used in its operations. Leases of office and land generally have lease terms between 5 years to 15 years.

The Company's obligations under the lease agreement are secured by the lessor's title to the leased asset. The Company is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of premises and office equipment with either of (i) lease term of 12 months or less; or (ii) low value lease assets with values not exceeding US\$50,000. The Group applies the short-term lease and lease of low-value assets recognition exemption for these leases.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****22. Right-of-use assets (cont'd)*****As a lessee (cont'd)******(a) Lease liability***

The carrying amount of lease liability and the movements during the year are disclosed in Note 15.

(b) Amounts recognised in profit or loss**Effective interest rates**

The weighted average effective interest rate of the leases range from 6% per annum (2021: 6% per annum) at the balance sheet date.

	Group	
	2022	2021
	US\$	US\$
Depreciation of right-of-use assets	283,835	246,813
Interest expense on lease liabilities (Note 5)	82,871	51,303
Lease expenses not capitalised in lease liabilities:		
- Expenses relating to low-value assets	59,482	43,887
Total amount recognised in profit or loss	426,188	342,003

The Group's total cash outflow for leases amounts to US\$372,195 (2021: US\$360,290) in 2022.

The Group has a lease contract that includes an extension option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and to align with the Group's business needs. Management exercises judgement in determining whether the extension option is reasonably certain to be exercised.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****23. Disposal of subsidiaries**

In 2022, the Group completed the disposal of its interest of the following subsidiaries:

Name of subsidiaries	Disposal Date
AgMark Asia Pte. Ltd.	11 April 2022
Infraco Asia Durgapur Low Cost Housing Pte. Ltd.	27 April 2022
Junga Farmgenics Pvt Ltd	4 October 2022
(Collectively the "disposal group")	

The value of assets and liabilities of the disposal group recorded in the consolidated financial statements as at the disposal date, and the effects of the disposal were:

	Group 2022 US\$
Assets	
Trade and other receivables	514,792
Loans and debenture	472,319
Cash and cash equivalents	520,101
	<u>1,507,212</u>
Liabilities	
Trade and other payables	(136,435)
Carrying amount of net assets disposed	<u>1,370,777</u>
Sales proceeds	614,299
Carrying amount of net assets disposed	(1,370,777)
Carrying amount of non-controlling interest derecognised based on their proportionate interests in the net assets disposed	(78,555)
Loss on disposal of subsidiaries	<u>(835,033)</u>
Consideration received, satisfied in cash	614,299
Cash and cash equivalents disposed	(520,101)
Proceeds from disposal of subsidiaries, net of cash disposed	<u>94,198</u>

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****24. Fair value of financial instruments*****Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

Assets and liabilities measured at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Significant unobservable inputs (Level 3) 2022 US\$	Significant unobservable inputs (Level 3) 2021 US\$
Loans and debentures (Note 12)		
Convertible loans and debentures	4,336,563	8,994,040
At 31 December	<u>4,336,563</u>	<u>8,994,040</u>

Determination of fair value

In determining the fair value of debt securities, the Group has applied the discounted cash flow method and makes assumptions that are based on market conditions existing at each balance sheet date. The valuation includes significant unobservable inputs such as the discount rates applied to the future cashflows. In estimating the discount rates, the Group has considered risks that are specific to the investee so that the discount rate is a fair representation of the current market assessment of time value of money with regards to these investee.

Infracore Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****24. Fair value of financial instruments (cont'd)*****Assets and liabilities measured at fair value (cont'd)***Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 December US\$	Valuation technique	Significant unobservable inputs	Range (weighted average)
<i>Recurring fair value measurement at FVTPL</i>				
2022				
Convertible loans and debentures	4,336,563	Discounted cash flow	Discount rates	14.53%
2021				
Convertible loans and debentures	8,994,040	Discounted cash flow	Discount rates	10.00% to 10.75%

For Level 3 fair value measurement of assets, the Group performs a sensitivity analysis on the unobservable inputs that reflect reasonably possible alternative assumption.

For unquoted debt securities, the Group assessed the probability of default and loss severity and discounted the cashflows based on a market interest rate that is commensurate with the risk of the borrowing companies. A significant increase/decrease in discount rate would significantly affects the fair value measurement.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Amounts due from related parties (Note 13), amounts due from joint ventures (Note 13), amount due from subsidiaries (Note 13), other receivables (Note 13), deposits (Note 13), advance to developers (Note 13), cash and cash equivalents (Note 14), amounts due to related parties (Note 17), trade and other payables (Note 17) and lease liabilities (Note 15).

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Infraco Asia Development Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2022****23. Fair value of financial instruments (cont'd)*****Carrying amounts of financial instruments by categories***

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
<i>Financial assets measured at amortised cost</i>				
Amounts due from subsidiaries	—	—	69,489	361,269
Advance to developers	446,732	452,732	446,732	452,732
Amounts due from related parties	826,950	409,940	826,950	409,940
Amounts due from joint ventures	1,591,592	1,125,381	43,426	32,261
Other receivables (excluding Value-added taxes receivables)	1,836,432	1,239,479	23,941	83,009
Deposits	122,875	116,814	111,028	108,309
Cash and cash equivalents	41,734,831	48,073,186	31,167,228	35,105,689
	46,559,412	51,417,532	32,688,794	36,553,209
<i>Financial liabilities measured at amortised cost</i>				
Amounts due to related parties	16,093	77,734	16,093	77,734
Trade and other payables	4,187,057	2,915,081	3,255,177	2,288,701
Lease liability	1,028,909	710,190	428,739	710,190
	5,232,059	3,703,005	3,700,009	3,076,625
<i>Net financial assets measured at amortised cost</i>				
	41,327,353	47,714,527	28,988,785	33,476,584
<i>Financial assets measured at fair value</i>				
Debt securities (unquoted)	4,336,563	8,994,040	—	—

Infracore Asia Development Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2022

25. Financial risk management policies and objectives

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to those financial risks or the manners in which it manages and measures the risks.

(a) *Credit risk*

Credit risk is the risk of losses that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from amount due from related parties and other receivables. For other financial assets (including cash and cash equivalents), the Group and Company minimises credit risk by dealing exclusively with reputable financial institutions or high credit rated counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

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For the financial year ended 31 December 2022**

25. Financial risk management policies and objectives (cont'd)**(a) Credit risk (cont'd)**

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Amount due from related parties and joint ventures and other receivables (excluding Value-added taxes receivables) at amortised cost

The Group categorises the loans according to internal credit risk ratings which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

Where required, the Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

There are no significant changes to estimation techniques or assumptions made during the reporting period.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and Company monitors their liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's and Company's operations.

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Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	2022				2021			
	Total	Contractual cash flows			Total	Contractual cash flows		
		One year or less	One to five years	More than five years		One year or less	One to five years	More than five years
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Group								
<u>Financial liabilities</u>								
Amounts due to related parties	16,093	16,093	—	—	77,734	77,734	—	—
Trade and other payables	4,168,985	4,168,985	—	—	2,915,081	2,915,081	—	—
Lease liability	1,545,612	337,748	1,207,864	—	772,302	319,573	452,729	—
	5,730,690	4,522,826	1,207,864	—	3,765,117	3,312,388	452,729	—
Company								
<u>Financial liabilities</u>								
Amounts due to related parties	16,093	16,093	—	—	77,734	77,734	—	—
Trade and other payables	3,255,177	3,255,177	—	—	2,288,701	2,288,701	—	—
Lease liability	446,347	337,748	108,599	—	772,302	319,573	452,729	—
	3,717,617	3,609,018	108,599	—	3,138,737	2,686,008	452,729	—

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Interest rate risk is the risk of increase in interest rates that will result in higher borrowing costs. As at the reporting date, the Group's exposure towards interest rate risk is not significant.

(d) Foreign currency risk

The Group has transactional currency exposure arising from transactions that are denominated in a currency other than the functional currencies of the Group entities. The foreign currency in which these transactions are denominated is mainly Singapore Dollars (SGD) and Indian Rupee (INR). Management has determined that SGD and INR are the two main currencies which it commonly transacts.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group and Company's loss before tax to a reasonably possible change in the SGD and INR exchange rates against the functional currency of the Group, with all other variables held constant.

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Singapore Dollars (SGD)				
– Strengthened by 10% (2021: 5%)	(30,192)	(44,997)	(17,062)	(27,767)
– Weakened by 10% (2021: 5%)	30,192	44,997	17,062	27,767
Indian Rupee (INR)				
– Strengthened by 10% (2021: 5%)	511,089	473,232	–	–
– Weakened by 10% (2021: 5%)	(511,089)	(473,232)	–	–

26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital structure in order to support its business.

The Group manages its capital, defined as equity attributable to owners of the Company, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group's capital requirement is met via funding from its shareholders for which new shares are issued.

No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

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27. Events occurring after the reporting period

The Company has not identified any other post balance sheets following the year ended 31 December 2022.

28. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 31 March 2023.