Company Registration No. 200901920D

Infraco Asia Development Pte. Ltd. and its subsidiaries

Annual Financial Statements
31 December 2024

Building a better
working world

Infraco Asia Development Pte. Ltd. and its subsidiaries

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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 2024.

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 2024 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:

Gilles Vaes	
Cecilie Sorhus	(appointed on 4 October 2024)
Augustine Pasipamire Makoni	(appointed on 4 October 2024)
Dennis Foo Say Yi	(appointed on 4 February 2025)

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.

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:

Augustine Pasipamire Makoni

Augustine Pasipamire Makoni
Director

Gilles Vaes

Gilles Vaes
Director

28 March 2025

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 2024, 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 material accounting policy information.

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 2024 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.

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's 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's 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's and Group's internal control.

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

Auditor's responsibilities for the audit of the 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's 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.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

28 March 2025

Infraco Asia Development Pte. Ltd. and its subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 31 December 2024

	Note	2024	2023
		US$	US$
Other income	4	1,899,155	514,943
Finance income	5	2,763,765	1,316,843
Project related operating expenses		(9,336,049)	(8,047,813)
Administrative expenses		(9,840,058)	(3,905,336)
Loss on disposal of subsidiaries	22	–	(300,910)
Finance costs	5	(153,511)	(74,220)
Share of results of joint ventures		(1,521,798)	(267,191)
Loss before tax	6	(16,188,496)	(10,763,684)
Income tax expense	8	(84,046)	(230,605)
Loss for the year		(16,272,542)	(10,994,289)
Attributable to:			
Owners of the Company		(16,246,368)	(10,598,735)
Non-controlling interests		(26,174)	(395,554)
		(16,272,542)	(10,994,289)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(692,578)	(1,434,206)
Share of other reserves		(34,176)	(15,962)
Total other comprehensive income, net of tax		(726,754)	(1,450,168)
Total comprehensive income for the year		(16,999,296)	(12,444,457)
Attributable to:			
Owners of the Company		(16,957,229)	(12,178,585)
Non-controlling interests		(42,067)	(265,872)
Total comprehensive income for the year		(16,999,296)	(12,444,457)

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

Infraco Asia Development Pte. Ltd. and its subsidiaries

Balance sheets
As at 31 December 2024

	Note	Group 2024	Group 2023	Company 2024	Company 2023
		US$	US$	US$	US$
ASSETS					
Non-current assets					
Property, plant and equipment	9	5,948,534	7,183,141	354,992	166,912
Right-of-use assets	21	3,078,076	604,471	2,772,778	123,483
Investment in subsidiaries	10	–	–	32,361,514	36,118,310
Investments in joint ventures	11	5,857,591	7,214,419	–	–
Loans and debentures	12	3,523,420	4,186,563	–	–
Other receivables	13	7,403,762	6,064,000	–	–
Deposits	13	220,279	–	220,279	–
Advance to developers	13	91,232	91,232	91,232	91,232
Deferred tax asset	8	71,636	38,282	–	–
		26,194,530	25,382,108	35,800,795	36,499,937
Current assets					
Amounts due from subsidiaries	13	–	–	93,927	68,583
Amounts due from related parties	13	4,428,858	1,233,902	4,045,094	1,133,747
Amounts due from joint ventures	13	944,514	1,849,323	37,986	37,986
Other receivables	13	787,336	768,256	433	75,783
Prepayments		207,686	200,578	155,541	126,477
Deposits	13	647,944	595,934	961	161,961
Cash and cash equivalents	14	37,889,135	46,171,105	31,538,885	35,653,964
Inventory		668,574	–	–	–
		45,574,047	50,819,098	35,872,827	37,258,501
Total assets		71,768,577	76,201,206	71,673,622	73,758,438

Infraco Asia Development Pte. Ltd. and its subsidiaries

Balance sheets
As at 31 December 2024

	Note	Group 2024 US$	Group 2023 US$	Company 2024 US$	Company 2023 US$
EQUITY AND LIABILITIES					
Non-current liabilities					
Deferred tax liability	8	272,784	268,456	–	–
Lease liabilities	15	2,989,546	621,803	2,525,715	–
Deferred income	17	–	15,059	–	15,059
		3,262,330	905,318	2,525,715	15,059
Current liabilities					
Lease liabilities	15	558,774	132,972	541,745	129,929
Deferred capital grants	16	2,960,958	3,430,736	48,003	48,003
Amounts due to related parties	17	356,283	17,197	339,736	15,747
Trade and other payables	17	3,033,803	3,264,586	1,534,887	1,726,460
Provision for tax		41,965	1,840	–	–
Amount due to subsidiaries	17	–	–	95,093	64,210
		6,951,783	6,847,331	2,559,464	1,984,349
Total liabilities		10,214,113	7,752,649	5,085,179	1,999,408
Equity attributable to owners of the Company					
Share capital	18	229,160,574	198,057,293	229,160,574	198,057,293
Share application monies	19	–	21,000,000	–	21,000,000
Translation reserve		(3,044,466)	(2,367,781)	–	–
Reserve on changes in non-controlling interests		(91,309)	(56,908)	–	–
Other reserve		(50,138)	(15,962)	–	–
Accumulated losses		(165,477,957)	(149,231,589)	(162,572,131)	(147,298,263)
		60,496,704	67,385,053	66,588,443	71,759,030
Non-controlling interests		1,057,760	1,063,504	–	–
Total equity		61,554,464	68,448,557	66,588,443	71,759,030
Total equity and liabilities		71,768,577	76,201,206	71,673,622	73,758,438

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 2024

	Share capital (Note 18)	Share application monies (Note 19)	Translation reserve	Reserve on changes in non-controlling interests	Other reserves	Accumulated losses	Total attributable to owners of the Company	Non-controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Group									
2024									
Opening as at 1 January 2024	198,057,293	21,000,000	(2,367,781)	(56,908)	(15,962)	(149,231,589)	67,385,053	1,063,504	68,448,557
Loss for the year	–	–	–	–	–	(16,246,368)	(16,246,368)	(26,174)	(16,272,542)
Foreign currency translation	–	–	(676,685)	–	–	–	(676,685)	(15,893)	(692,578)
Share of other reserve	–	–	–	–	(34,176)	–	(34,176)	–	(34,176)
Total comprehensive income for the year	–	–	(676,685)	–	(34,176)	(16,246,368)	(16,957,229)	(42,067)	(16,999,296)
<u>Contributions by and distributions to owners</u>									
Issuance of shares	31,103,281	(31,103,281)	–	–	–	–	–	–	–
Share application monies	–	10,103,281	–	–	–	–	10,103,281	–	10,103,281
Total contributions by and distributions to owners	31,103,281	(21,000,000)	–	–	–	–	10,103,281	–	10,103,281
<u>Changes in ownership interest</u>									
Contributions from non-controlling interests	–	–	–	(34,401)	–	–	(34,401)	36,323	1,922
Total changes in ownership interest	–	–	–	(34,401)	–	–	(34,401)	36,323	1,922
Total transactions with owners in their capacity as owners	31,103,281	(21,000,000)	–	(34,401)	–	–	10,068,880	36,323	10,105,203
At 31 December 2024	229,160,574	–	(3,044,466)	(91,309)	(50,138)	(165,477,957)	60,496,704	1,057,760	61,554,464

Infraco Asia Development Pte. Ltd. and its subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2024

	Share capital (Note 18)	Share application monies (Note 19)	Translation reserve	Reserve on changes in non-controlling interests	Other reserves	Accumulated losses	Total attributable to owners of the Company	Non-controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Group									
2023									
Opening as at 1 January 2023	189,630,200	7,107,339	(851,596)	(57,353)	–	(138,632,854)	57,195,736	707,232	57,902,968
Loss for the year	–	–	–	–	–	(10,598,735)	(10,598,735)	(395,554)	(10,994,289)
Foreign currency translation	–	–	(1,563,888)	–	–	–	(1,563,888)	129,682	(1,434,206)
Share of other reserve	–	–	–	–	(15,962)	–	(15,962)	–	(15,962)
Total comprehensive income for the year	–	–	(1,563,888)	–	(15,962)	(10,598,735)	(12,178,585)	(265,872)	(12,444,457)
<u>Contributions by and distributions to owners</u>									
Issuance of shares	8,427,093	(8,427,093)	–	–	–	–	–	–	–
Share application monies	–	22,319,754	–	–	–	–	22,319,754	–	22,319,754
Total contributions by and distributions to owners	8,427,093	13,892,661	–	–	–	–	22,319,754	–	22,319,754
<u>Changes in ownership interest</u>									
Disposal of subsidiaries	–	–	–	445	–	–	445	–	445
Disposal of joint ventures	–	–	47,703	–	–		47,703	–	47,703
Contributions from non-controlling interests	–	–	–	–	–	–	–	622,144	622,144
Total changes in ownership interest	–	–	47,703	445	–	–	48,148	622,144	670,292
Total transactions with owners in their capacity as owners	8,427,093	13,892,661	47,703	445	–	–	22,367,902	622,144	22,990,046
At 31 December 2023	198,057,293	21,000,000	(2,367,781)	(56,908)	(15,962)	(149,231,589)	67,385,053	1,063,504	68,448,557

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

Statements of changes in equity
For the financial year ended 31 December 2024

	Share capital (Note 18)	Share application monies (Note 19)	Accumulated losses	Total
	US$	US$	US$	US$
Company				
2024				
At 1 January 2024	198,057,293	21,000,000	(147,298,263)	71,759,030
Loss representing total comprehensive income for the year	–	–	(15,273,868)	(15,273,868)
Contributions by and distribution to owners:				
Issuance of shares	31,103,281	(31,103,281)	–	–
Share application monies	–	10,103,281	–	10,103,281
Total contributions by and distributions to owners	31,103,281	(21,000,000)	–	10,103,281
Total transactions with owners in their capacity as owners	31,103,281	(21,000,000)	–	10,103,281
At 31 December 2024	229,160,574	–	(162,572,131)	66,588,443
2023				
At 1 January 2023	189,630,200	7,107,339	(132,954,326)	63,783,213
Loss representing total comprehensive income for the year	–	–	(14,343,937)	(14,343,937)
Contributions by and distribution to owners:				
Issuance of shares	8,427,093	(8,427,093)	–	–
Share application monies	–	22,319,754	–	22,319,754
Total contributions by and distributions to owners	8,427,093	13,892,661	–	22,319,754
Total transactions with owners in their capacity as owners	8,427,093	13,892,661	–	22,319,754
At 31 December 2023	198,057,293	21,000,000	(147,298,263)	71,759,030

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 2024

	Note	2024	2023
		US$	US$
Operating activities			
Loss before tax		(16,188,496)	(10,763,684)
Adjustments for:			
Depreciation of property, plant and equipment	9	605,103	386,979
Depreciation of right-to-use assets	21	715,270	317,590
Fixed assets impairment	9	843,420	–
Disposal of property, plant and equipment for finance lease	9	636,728	–
Provision for/(reversal of) impairment loss on:			
- Investment in joint venture	11	–	(283,927)
- Amount due from joint venture	13	1,006,572	187,859
- Other receivables	13	(120,947)	(67,343)
Share of results of joint ventures		1,521,798	267,191
Loss on disposal of subsidiaries	22	–	300,910
Finance costs	5	153,511	74,220
Finance income	5	(2,763,765)	(1,316,843)
Fair value adjustments on debt securities	12	2,141,187	150,000
Operating cash flows before changes in working capital		(11,449,619)	(10,747,048)
Changes in working capital:			
Increase in amounts due from joint ventures		(101,763)	(45,590)
Increase in inventory		(668,574)	–
Decrease in advance to developers		–	355,500
Decrease/(increase) in other receivables		2,280,471	(215,662)
Increase in finance lease receivables		(754,610)	(2,830,045)
(Increase)/decrease in prepayments		(7,108)	51,958
Increase in deposits		(272,289)	(473,059)
Decrease in deferred capital grants		(469,778)	(387,236)
Decrease in deferred income		(15,059)	–
Increase in amount due from related parties		(2,616,649)	(101,223)
(Decrease)/increase in trade and other payables		(328,386)	1,713,235
Total changes in working capital		(2,953,745)	(1,932,122)
Cash flow used in operations		(14,403,364)	(12,679,170)
Income taxes paid		(43,921)	(100,064)
Net cash flows used in operating activities		(14,447,285)	(12,779,234)

Infraco Asia Development Pte. Ltd. and its subsidiaries

Consolidated cash flow statement
For the financial year ended 31 December 2024

	Note	2024	2023
		US$	US$
Investing activities			
Purchase of property, plant and equipment	9	(967,938)	(3,552,403)
Investment in joint ventures		(404,191)	(410,500)
Investment in loans and debentures		(1,478,044)	–
Proceeds from disposal of subsidiaries, net of cash disposed	22	–	(1,632,607)
Net cash flows used in investing activities		(2,850,173)	(5,595,510)
Financing activities			
Share application monies received		10,103,281	22,319,754
Payment of lease liabilities	15	(647,904)	(394,184)
Contributions from non-controlling interests		36,323	622,144
Net cash flows generated from financing activities		9,491,700	22,547,714
Net (decrease)/increase in cash and cash equivalents		(7,805,758)	4,172,970
Foreign exchange		(476,212)	263,304
Cash and cash equivalents at beginning of the year		46,171,105	41,734,831
Cash and cash equivalents at end of the year		37,889,135	46,171,105

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

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, #11-01/02/03, 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. Material accounting policy information

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 2024. The adoption of these standards and interpretations did not have any material impact on the financial performance or position of the Group.

2. Material accounting policy information (cont'd)

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 21: Lack of Exchangeability	1 January 2025
Amendments to FRS 109 and FRS 107: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to FRSs—Volume 11	1 January 2026
Amendments to FRS 109 and FRS 107: Contracts Referencing Nature-dependent Electricity	1 January 2026
FRS 119 Subsidiaries without Public Accountability: Disclosures	1 January 2027
FRS 118 Presentation and Disclosure in Financial Statements	1 January 2027
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.

2. Material accounting policy information (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.

2. Material accounting policy information (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.

2. Material accounting policy information (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
Building	–	15 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.

2. Material accounting policy information (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.

2. Material accounting policy information (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.

2. Material accounting policy information (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.

2. Material accounting policy information (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.

2. Material accounting policy information (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.

2. Material accounting policy information (cont'd)

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand, including investments in money market funds which do not have a maturity date, 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 *Inventory*

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Raw materials: purchase cost on a first-in/first-out basis.

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory comprise of solar panel assets held by a project company under a subsidiary.

2.17 *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.

2.18 *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. Material accounting policy information (cont'd)

2.19 *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.

2.20 *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.

2.21 *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.

2.22 *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.

2. Material accounting policy information (cont'd)

2.22 ***Leases (cont'd)***

As lessee (cont'd)

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.

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.

2. Material accounting policy information (cont'd)

2.22 *Leases (cont'd)*

As lessor

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "Other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

2.23 *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.

2.24 *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.

2. Material accounting policy information (cont'd)

2.24 *Taxes (cont'd)*

(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.

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.

2. Material accounting policy information (cont'd)

2.24 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

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.

(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.

2.25 *Share capital*

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

2.26 *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.

2. Material accounting policy information (cont'd)

2.27 ***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.

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 24.

(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.

4. Other income

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

5. Finance income/Finance costs

	Group	
	2024	**2023**
	US$	US$
Finance income		
Loans and debentures	985,827	580,272
Interest on bank deposits and money market funds	1,777,938	736,571
	2,763,765	1,316,843
Finance costs		
Accretion of lease interests (Note 21)	153,502	70,457
Other finance costs	9	3,763
	153,511	74,220

6. Loss before tax

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

	Group	
	2024	**2023**
	US$	US$
Depreciation of plant and equipment (Note 9)	605,103	386,979
Depreciation of right-of-use asset (Note 21)	715,270	317,590
Consultancy and legal fees	2,567,263	2,627,873
Lease expenses (Note 21)	57,688	48,781
Foreign exchange (gain)/loss – realised	(138,286)	93,816
Foreign exchange loss – unrealised	15,905	58,398
Staff costs (Note 7)	5,384,482	3,732,782
Provision for/(reversal of) impairment loss on:		
- Investment in joint ventures (Note 11)	–	(283,927)
- Amount due from joint venture (Note 13)	1,006,572	187,859
- Other receivables (Note 13)	(120,947)	(67,343)
Fixed assets impairment (Note 9)	843,420	–
Project development expenses	49,074	1,105,054
Fair value loss on debt securities (Note 12)	2,141,187	150,000

7. Staff costs

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

	Group	
	2024	**2023**
	US$	US$
Staff salaries	4,940,849	3,522,659
Central Provident Fund contribution	443,633	207,419
Directors' fees	–	2,704
	5,384,482	3,732,782

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

The total staff costs of the Group before any recharges to a related company amounted to US$8,027,062 (2023: US$6,002,482).

8. Income tax expense

Relationship between tax expense and accounting loss

	Group	
	2024	**2023**
	US$	US$
Current income tax		
Current year	113,072	98,980
Over provision in prior years	–	(3,092)
	113,072	95,888
Deferred tax		
Origination and reversal of temporary difference	(29,026)	134,717
	84,046	230,605

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 2024 and 2023 are as follows:

	Group	
	2024	**2023**
	US$	US$
Loss before tax	(16,188,496)	(10,763,684)
Tax calculated at tax rate of 17% (2023:17%)	(2,752,044)	(1,829,826)
Adjustments:		
Deferred tax assets not recognised	1,232,644	866,174
Non-deductible expenses	699,050	181,925
Losses not available for carry forward	645,691	969,810
Share of results of joint ventures	258,706	45,422
Over provision in prior years	–	(3,092)
Others	(1)	192
Income tax expense recognised in profit or loss	84,046	230,605

Deferred tax as at 31 December relates to the following:

	2024	**2023**
	US$	US$
Deferred tax asset:		
Provisions	71,636	38,282
Deferred tax liability:		
Unremitted foreign interest income	272,784	268,456

Unabsorbed tax losses

As at 31 December 2024, the Group has unabsorbed tax losses of approximately US$120.1 million (2023: US$112.8 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.

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	Building	Total
	US$	US$	US$	US$	US$	US$	US$		US$
Group									
Cost									
As at 1 January 2023	431,591	546,420	88,269	2,053,063	283,465	457,047	–	–	3,859,855
Reclassification	–	–	–	(1,934,859)	–	1,384,224	–	550,635	–
Additions	–	125,189	12,525	2,969,592	4,928	1,038,784	113,246	1,093,286	5,357,550
Disposal	–	(16,403)	–	–	–	–	–	–	(16,403)
Disposal of subsidiaries	–	(706)	–	–	–	(456,697)	–	–	(457,403)
Exchange differences	–	(47,757)	(5,094)	(264,875)	–	175	–	–	(317,551)
As at 31 December 2023 and 1 January 2024	431,591	606,743	95,700	2,822,921	288,393	2,423,533	113,246	1,643,921	8,426,048
Reclassification	–	–	–	(752,803)	–	752,803	–	–	–
Additions	–	129,906	10,559	443,928	242,405	140,264	–	876	967,938
Disposal	–	(56,569)	(25,263)	(636,728)	(278,798)	–	–	–	(997,358)
Impairment	–	–	–	(843,420)	–	–	–	–	(843,420)
Exchange differences	–	(5,456)	2,689	(64,762)	–	(59,838)	–	–	(127,367)
As at 31 December 2024	431,591	674,624	83,685	969,136	252,000	3,256,762	113,246	1,644,797	7,425,841

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	Building	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Group									
Accumulated depreciation and impairment loss									
As at 1 January 2023	–	230,744	50,805	–	202,735	456,735	–	–	941,019
Depreciation charge for the year	–	153,624	18,805	–	57,381	117,290	8,665	31,214	386,979
Disposal	–	(16,403)	–	–	–	–	–	–	(16,403)
Disposal of subsidiaries	–	(706)	–	–	–	(63,870)	–	–	(64,576)
Exchange differences	–	(3,796)	(353)	–	–	37	–	–	(4,112)
As at 31 December 2023 and 1 January 2024	–	363,463	69,257	–	260,116	510,192	8,665	31,214	1,242,907
Depreciation charge for the year	–	137,200	11,253	–	77,401	240,226	14,156	124,867	605,103
Disposal	–	(56,569)	(25,263)	–	(278,798)	–	–	–	(360,630)
Exchange differences	–	(3,491)	(535)	–	–	(6,047)	–	–	(10,073)
As at 31 December 2024	–	440,603	54,712	–	58,719	744,371	22,821	156,081	1,477,307
Net carrying amount									
As at 31 December 2024	431,591	234,021	28,973	969,136	193,281	2,512,391	90,425	1,488,716	5,948,534
As at 31 December 2023	431,591	243,280	26,443	2,822,921	28,277	1,913,341	104,581	1,612,707	7,183,141

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

	Computer, IT equipment and software	Office equipment, furniture and fittings	Office renovation and fittings	Total
	US$	US$	US$	US$
Company				
Cost				
As at 1 January 2023	324,195	61,101	282,812	668,108
Additions	102,880	–	–	102,880
Disposals	(16,403)	–	–	(16,403)
As at 31 December 2023 and 1 January 2024	410,672	61,101	282,812	754,585
Additions	124,201	6,536	233,610	364,347
Disposals	(56,569)	(25,263)	(278,798)	(360,630)
As at 31 December 2024	478,304	42,374	237,624	758,302
Accumulated depreciation				
As at 1 January 2023	200,201	43,802	202,336	446,339
Depreciation charge for the year	88,662	12,268	56,807	157,737
Disposals	(16,403)	–	–	(16,403)
As at 31 December 2023 and 1 January 2024	272,460	56,070	259,143	587,673
Depreciation charge for the year	94,769	5,757	75,741	176,267
Disposals	(56,569)	(25,263)	(278,798)	(360,630)
As at 31 December 2024	310,660	36,564	56,086	403,310
Net carrying amount				
As at 31 December 2024	167,644	5,810	181,538	354,992
As at 31 December 2023	138,212	5,031	23,669	166,912

10. Investment in subsidiaries

	Company	
	2024	**2023**
	US$	US$
Unquoted equity shares, at cost	5,870	100,033
Amounts due from subsidiaries*	60,559,491	67,974,957
	60,565,361	68,074,990
Less: Allowance for impairment	(28,203,847)	(31,956,680)
	32,361,514	36,118,310

* 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:

	2024	2023
At 1 January	(31,956,680)	(25,049,736)
Reclassified from amount due from subsidiaries (Note 13)	–	(24,708)
Amounts due from subsidiaries	(7,841,792)	(9,400,681)
Write-off of amounts due from strike-off subsidiaries	11,594,625	–
Disposal of subsidiaries	–	2,518,445
At 31 December	(28,203,847)	(31,956,680)

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$7,841,792 (2023: US$9,400,681), representing the write-down of the subsidiaries to their recoverable amount.

10. Investment in subsidiaries (cont'd)

Composition of the Group

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group 2024 %	2023 %
Held by the Company				
Infraco India Affordable Housing Pte. Ltd. (2)	Singapore	Investment holding	–	100
Infraco Asia Himalayan Hydro Pte. Ltd. (1)	Singapore	Investment holding	–	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. (1)	Singapore	Investment holding	–	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
Infraco VietAqua Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Asia Pte. Ltd (formerly known as ("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 Yaeni Power Pte. Ltd. (2)	Singapore	Investment holding	–	100
Infraco Myanmar Agri Processing Pte. Ltd. (2)	Singapore	Investment holding	–	100
Infraco Vietnam Water Pte. Ltd. (fka Infraco Philippines Solar Pte. Ltd.)	Singapore	Investment holding	100	100

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 2024 %	Effective interest held by the Group 2023 %
Held by the Company (cont'd)				
Infraco Myanmar Rice Husk Briquette Pte. Ltd. [(1)]	Singapore	Investment holding	–	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
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. [(1)]	Singapore	Investment holding	–	100
Infraco 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. [(1)]	Singapore	Investment holding	–	100

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 2024 %	2023 %
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. [(1)]	Singapore	Investment holding	–	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	100
Infraco Sustainability SEA Pte. Ltd.	Singapore	Infrastructure engineering design and consultancy services	100	100
Infraco Sustainability South Asia Pte. Ltd.	Singapore	Infrastructure engineering design and consultancy services	100	100
Noakhali Greentech Solar Energy Ltd. [(3)]	Bangladesh	To develop own and manage energy, power and infrastructure related projects	66	–

(1) During the year, the Company have struck off these subsidiaries.
(2) During the year, the subsidiaries have been liquidated.
(3) New subsidiary for the year.

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 2024 %	2023 %
Held by the subsidiaries				
Ba Tang Wind Vietnam Co. Ltd.	Vietnam	To develop own and manage energy, power and infrastructure related projects	100	100
Angkor Harvest Co., Ltd	Cambodia	Processing of mangoes	99.9	99.9
Phnom Sruoch Land Development Co., Ltd.	Cambodia	Land leasing company	49	49
Infraco Indo Hybrid 1 Pte. Ltd.	Singapore	Investment holding	100	100
Infraco Indo Hybrid 2 Pte. Ltd.	Singapore	Investment holding	100	100
Khmer Cold Chain Company Limited	Cambodia	Development of infrastructure projects and provision of construction, technical, operational and management advice and services	100	100

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 2024 %	2023 %
Held by the subsidiaries (cont'd)				
PT Damar Jaya Utama	Indonesia	To develop own and manage energy, power and infrastructure related projects	100	100
PT Mayes Jaya Utama	Indonesia	To develop own and manage energy, power and infrastructure related projects	100	100
Simple Energy Private Ltd.	Nepal	To develop own and manage energy, power and infrastructure related projects	74	74
Prism Energy Private Ltd	Pakistan	To develop renewable energy and infrastructure related projects	95	95
Indonesia Hybrid Power Pte. Ltd.	Singapore	To develop own and manage energy, power and infrastructure related projects	95.3[a]	93.3
PT Hibrid Nusantara Pertama	Indonesia	To develop own and manage energy, power and infrastructure related projects	92.4	92.4
PT Hybrid Power Solutions Indonesia	Indonesia	To develop own and manage energy, power and infrastructure related projects	95.3[a]	93.3

[a] During the year, the shareholdings were increased following an additional capital injection.

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

11. Investments in joint ventures

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

	Group	
	2024	**2023**
	US$	US$
<u>Material joint ventures</u>		
Darco Infraco Vietnam Water Pte. Ltd and its subsidiaries	4,127,936	4,453,152
	4,127,936	4,453,152
<u>Non-material joint ventures</u>		
Other joint ventures	1,729,655	2,761,267
	1,729,655	2,761,267
	5,857,591	7,214,419

Movement in allowance account		
At 1 January	–	(5,083,927)
Reversal for impairment loss	–	283,927
Disposal of joint ventures	–	4,800,000
At 31 December	–	–

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11. Investments in joint ventures (cont'd)

(a) ***Composition of the Group's joint ventures***

Name of joint venture	Country of incorporation	Principal activities	Effective interest held by the Group 2024 %	Effective interest held by the Group 2023 %
Held by the subsidiaries				
Green Solar Energy Pte Ltd.	Singapore	Investment holding	70	70
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
Darco Infraco Vietnam Water Pte. Ltd.	Singapore	Investment holding	49	49
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	81.7	80.5
Island Hybrid Power Corp	Philippines	To construct and develop energy, power and infrastructure related projects	16	16

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 2024 %	Effective interest held by the Group 2023 %
Held by the joint ventures				
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
Markhor Gabral Utror HPP (Pvt.) Ltd.	Pakistan	To develop own and manage energy, power and infrastructure related projects	36.3	36.3

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 2024 %	2023 %
Held by the joint ventures (cont'd)				
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
Greentech Solar Energy Ltd	Bangladesh	To develop own and manage energy, power and infrastructure related projects	70	70

(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 2024	2023
	US$	US$
(Loss)/gain after tax, representing total comprehensive (loss)/income	(1,487,274)	181,241

11. Investment in joint ventures (cont'd)

(b) ***Financial information of material and non-material joint ventures (cont'd)***

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

	Darco Infraco Vietnam Water Pte. Ltd and its subsidiaries	
	2024	**2023**
	US$	US$
Cash and cash equivalents	765,059	1,463,586
Current assets	1,239,548	1,933,590
Non-current assets	7,947,912	8,194,944
Total assets	9,187,460	10,128,534
Other current liabilities	1,791,681	2,020,709
Non-current liabilities	4,419,795	4,469,641
Total liabilities	6,211,476	6,490,350
Net assets	2,975,984	3,638,184
Less: non-controlling interest	(441,610)	(483,822)
Net assets after NCI	2,534,374	3,154,362
Proportion of the Group's ownership	49.00%	49.00%
Group's share of net assets	1,241,843	1,545,637
Goodwill on acquisition	175,509	175,509
Advances to joint venture	2,700,000	2,700,000
Others	10,584	32,006
Carrying amount of the investments	4,127,936	4,453,152

Summarised statement of comprehensive income

	Darco Infraco Vietnam Water Pte. Ltd and its subsidiaries	
	2024	**2023**
	US$	US$
Loss after tax	(576,491)	(906,204)
Total comprehensive loss	(1,003,048)	(1,159,717)

12. Loans and debentures

	Group	
	2024	**2023**
	US$	US$
Non-current		
At fair value through profit or loss:		
Unquoted debt securities consisting of:		
- Compulsory convertible debentures	3,523,420	4,186,563
Current		
At fair value through profit or loss:		
Unquoted debt securities consisting of:		
- Convertible loans	–	–

Compulsory convertible debentures

The compulsory convertible debentures are unsecured debentures and bear interest at the effective interest rate of 6.25% per annum (2023: 6.25% per annum).

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

Convertible loans

The convertible loans are unsecured, interest-bearing at the effective interest rates of 6% per annum (2023: 6% 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$2,141,187 (2023: US$150,000) was recognised in profit or loss within the 'project related operation expenses' line in respect of the compulsory convertible debentures and convertible loan held by the Group.

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

	Group	
	2024	**2023**
	US$	US$
Indian Rupee	3,523,420	4,186,563

13. Other receivables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Current:				
Other receivables				
Value-added taxes receivables	–	191,558	–	–
Finance lease receivables	206,539	145,253	–	–
Others	717,825	689,420	433	75,783
Less: Allowance for impairment	(137,028)	(257,975)	–	–
	580,797	431,445	433	75,783
Total other receivables	787,336	768,256	433	75,783
Amounts due from subsidiaries	–	–	104,553	80,768
Less: Allowance for impairment	–	–	(10,626)	(12,185)
	–	–	93,927	68,583
Amount due from joint ventures	1,967,303	1,865,540	37,986	37,986
Less: Allowance for impairment	(1,022,789)	(16,217)	–	–
	944,514	1,849,323	37,986	37,986
Amounts due from related parties	4,428,858	1,233,902	4,045,094	1,133,747
Deposits	647,944	595,934	961	161,961
Total receivables (current)	6,808,652	4,447,415	4,178,401	1,478,060
Non-current:				
Finance lease receivables	2,788,593	2,095,269	–	–
Deposits	220,279	–	220,279	
Other receivables	6,937,493	6,291,055	–	–
Less: Allowance for impairment	(2,322,324)	(2,322,324)	–	–
	4,615,169	3,968,731	–	–
Total other receivables (non-current)	7,624,041	6,064,000	220,279	–
Advance to developers	145,218	145,218	145,218	145,218
Less: Allowance for impairment	(53,986)	(53,986)	(53,986)	(53,986)
	91,232	91,232	91,232	91,232
Total receivables (non-current)	7,715,273	6,155,232	311,511	91,232
Total receivables	14,523,925	10,602,647	4,489,912	1,569,292

13. Other receivables (cont'd)

Other receivables (non-current)

Included in other receivables is a term loan of US$2,300,000 (2023: US$2,300,000) receivable from a third party. The term loan matures on 7 October 2029 and bears interest at 10% per annum. Other receivables also include interest receivables of US$1,819,780 (2023: US$1,230,912) from compulsory convertible debentures.

Finance lease receivables

The Group has leased out solar panels and the lease is classified as finance lease because the Group transfers substantially all the risk and rewards incidental to ownership of the asset to the lessees, the lease term is for the majority part of the economic life of the underlying asset and the lessee has the option to purchase the underlying asset as a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable.

The net investment in the lease is recognised under other receivables.

The following table sets out a maturity analysis of lease receivable, showing undiscounted lease payments to be received after the reporting date.

	Group			
	2024		2023	
	Minimum lease receivable	Present value of receivable	Minimum lease receivable	Present value of receivable
	US$	US$	US$	US$
Analysed as follows:				
Less than one year	299,828	206,539	232,420	145,253
One to two years	255,846	177,400	186,792	118,673
Two to three years	261,765	188,028	190,799	126,195
More than three years	2,806,028	2,423,165	2,220,034	1,850,401
	3,623,467	2,995,132	2,830,045	2,240,522
Unearned finance income	(628,335)	–	(589,523)	–
Present value of minimum lease receivable	2,995,132	2,995,132	2,240,522	2,240,522
Current	206,539	206,539	145,253	145,253
Non-current	2,788,593	2,788,593	2,095,269	2,095,269
	2,995,132	2,995,132	2,240,522	2,240,522

Finance lease receivables bear implicit interest of 0.90% to 9.48% (2023: 1.66% to 9.48%) per annum and are repayable on a monthly basis in accordance with the instalment agreements.

Finance lease receivables are secured over the assets leased. In the event of default, the Group is entitled to sell the asset and has rights to any proceeds from such a sale up to the total amount receivable from the lessee.

13. Other receivables (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	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
As at 1 January	2,650,502	2,905,704	66,171	90,879
Reclassified to investment in subsidiaries (Note 10)	–	–	–	(24,708)
Charge/(reversal) for the year pertaining to:				
Other receivables	(120,947)	(67,343)	–	–
Amount due from joint ventures	1,006,572	(187,859)	–	–
Amount due from subsidiaries	–	–	(1,559)	–
As at 31 December	3,536,127	2,650,502	64,612	66,171

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	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Singapore Dollar	229,072	361,351	221,240	101,057
Pakistani Rupee	2,791,468	2,095,271	–	–
Indonesian Rupiah	632,493	422,247	–	–
Indian Rupee	1,819,780	1,415,549	–	–

14. Cash and cash equivalents

	Group		Company	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Cash at banks and on hand	32,481,999	39,989,035	28,555,064	33,343,363
Short-term deposits	5,407,136	6,182,070	2,983,821	2,310,601
Cash and cash equivalents	37,889,135	46,171,105	31,538,885	35,653,964

Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates and money market fund 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 0.75% to 5.36% (2023: 0.75% to 5.46%).

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

	Group		Company	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Singapore Dollars	1,707,840	946,717	1,611,673	902,160
Pakistani Rupee	884,143	1,429,885	–	–
Nepalese Rupee	592,615	871,852	–	–
Indonesian Rupiah	262,025	169,421	–	–
Great British Pounds	16,271	16,525	16,271	16,525

15. Lease liabilities

Set out below are the carrying amounts of lease liabilities 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**
				Accretion of interests	Others	
	US$	US$	US$	US$	US$	US$
2024						
Lease liabilities						
- Current	132,972	(591,515)	920,134	106,027	(8,844)	558,774
- Non-current	621,803	(56,389)	2,525,715	47,475	(149,058)	2,989,546
Total	754,775	(647,904)	3,445,849	153,502	(157,902)	3,548,320

15. Lease liabilities (cont'd)

Group (cont'd)

	1 January	Cash flows	Additions	Non-cash changes		31 December
				Accretion of interests	Others	
	US$	US$	US$	US$	US$	US$
2023						
Lease liabilities						
- Current	298,810	(364,532)	36,564	19,112	143,018	132,972
- Non-current	730,099	(29,652)	–	51,345	(129,989)	621,803
Total	1,028,909	(394,184)	36,564	70,457	13,029	754,775

Company

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

	1 January	Cash flows	Additions	Non-cash changes		31 December
				Accretion of interests	Others	
	US$	US$	US$	US$	US$	US$
2024						
Lease liabilities						
- Current	129,929	(549,551)	871,778	98,433	(8,844)	541,745
- Non-current	–	–	2,525,715	–	–	2,525,715
Total	129,929	(549,551)	3,397,493	98,433	(8,844)	3,067,460

	1 January	Cash flows	Non-cash changes		31 December
			Accretion of interests	Others	
	US$	US$	US$	US$	US$
2023					
Lease liabilities					
- Current	298,810	(329,446)	17,593	142,972	129,929
- Non-current	129,929	–	–	(129,929)	–
Total	428,739	(329,446)	17,593	13,043	129,929

16. Deferred capital grants

	Group		Company	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Deferred capital grants	2,960,958	3,430,736	48,003	48,003

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$257,270 (2023: US$737,000).

17. Trade and other payables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Current:				
Trade payables	590,406	831,552	125,041	193,652
Other payables	488,445	330,117	326,040	111,840
Deferred Income	257,270	224,910	–	–
Accruals	1,697,682	1,878,007	1,083,806	1,420,968
Trade and other payables	3,033,803	3,264,586	1,534,887	1,726,460
Amount due to related parties	356,283	17,197	339,736	15,747
Amount due to subsidiaries	–	–	95,093	64,210
	3,390,086	3,281,783	1,969,716	1,806,417
Non-current:				
Deferred income	–	15,059	–	15,059
	3,390,086	3,296,842	1,969,716	1,821,476

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.

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	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Singapore Dollars	620,330	1,590,947	687,513	1,166,977
Great British Pounds	339,736	225,158	339,736	225,158
Indian Rupee	96,986	241,751	–	–
Pakistani Rupee	274,047	800,108	–	–

18. Share capital

	Group and Company			
	2024		**2023**	
	No. of shares	US$	No. of shares	US$
Issued and fully paid ordinary shares:				
As at 1 January	140,554,453	198,057,293	133,632,592	189,630,200
Issuance during the year	24,480,929	31,103,281	6,921,861	8,427,093
As at 31 December	165,035,382	229,160,574	140,554,453	198,057,293

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	
	2024	**2023**
	US$	US$
Movement in share application monies:		
At 1 January	21,000,000	7,107,339
Injection of funds by shareholders of the Company during the year	10,103,281	22,319,754
Issuance of ordinary shares during the year	(31,103,281)	(8,427,093)
At 31 December	–	21,000,000

Share application monies are funds received in the year that have not yet been allocated as shares to the shareholders as at the year end.

20. Related party transactions

(a) *Related party transactions*

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	
	2024	**2023**
	US$	US$
Grant received/receivable as reimbursement from shareholders	–	1,725,731
Recharge of payroll and administrative expenses to related companies#	3,201,039	2,659,929
Administration charges paid/payable to a related company#	3,431,654	2,430,078

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

(b) *Compensation of directors and key management personnel*

	Group and Company	
	2024	**2023**
	US$	US$
Comprise amounts paid to:		
Directors and other key management personnel of the Company	714,583	336,185

21. Right-of-use assets

As a lessee

The Group has lease contracts 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.

21. Right-of-use assets (cont'd)

As a lessee (cont'd)

Set out below are the Company amount of right-of-use assets recognised and the movement during the year.

Group	Office US$	Land US$	Total US$
Cost			
At 1 January 2023	1,336,906	552,250	1,889,156
Additions	36,564	–	36,564
Foreign exchange	(958)	–	(958)
At 31 December 2023 and 1 January 2024	1,372,512	552,250	1,924,762
Additions	3,336,281	(147,188)	3,189,093
Disposal	(1,336,906)	–	(1,336,906)
Foreign exchange	(5,224)	–	(5,224)
At 31 December 2024	3,366,663	405,062	3,771,725
Accumulated depreciation			
At 1 January 2023	(966,610)	(37,022)	(1,003,632)
Depreciation	(280,568)	(37,022)	(317,590)
Foreign exchange	931	–	931
At 31 December 2023 and 1 January 2024	(1,246,247)	(74,044)	(1,320,291)
Depreciation	(675,336)	(39,934)	(715,270)
Disposal	1,336,906	–	1,336,906
Foreign exchange	5,006	–	5,006
At 31 December 2024	(579,671)	(113,978)	(693,649)
Net carrying amount			
At 31 December 2024	2,786,992	291,084	3,078,076
At 31 December 2023	126,265	478,206	604,471

	Company Office	
	2024 US$	**2023** US$
At 1 January	123,483	370,296
Additions	3,287,693	–
Depreciation	(638,398)	(246,813)
At 31 December	2,772,778	123,483

21. Right-of-use assets (cont'd)

As a lessee (cont'd)

(a) *Lease liabilities*

The carrying amount of lease liabilities 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 is 6% per annum (2023: 6% per annum) at the balance sheet date.

	Group	
	2024	**2023**
	US$	US$
Depreciation of right-of-use assets	715,270	317,590
Interest expense on lease liabilities (Note 5)	153,502	70,457
Lease expenses not capitalised in lease liabilities:		
- Expenses relating to low-value assets	57,688	48,781
Total amount recognised in profit or loss	926,460	436,828

The Group's total cash outflow for leases amounts to US$ 705,592 (2023: US$442,965) in 2024.

The Group has lease contracts that include extension options. These options are 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 options are reasonably certain to be exercised.

22. Disposal of subsidiaries

In 2024, the Group had no disposal of subsidiaries.

In 2023, the Group completed the disposal of its interest of the following subsidiaries:

Name of subsidiaries	**Disposal Date**
Good Wind Energy Pte. Ltd. (fka Infraco Myanmar Wind Power Pte. Ltd.)	5 July 2023
Good Wind Energy Co. Ltd. (fka Infraco Myanmar Wind Power Co., Ltd.)	5 July 2023
Inclusive Power Pte. Ltd. (fka Infraco Myanmar Telco Energy Pte. Ltd.)	5 July 2023
Evergreen Renewables Pte. Ltd.	5 July 2023
Evergreen Renewables Co., Ltd.	5 July 2023

(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 2023 US$
Assets	
Trade and other receivables	29,254
Property, plant and equipment	392,827
Cash and cash equivalents	1,632,609
	2,054,690
Liabilities	
Trade and other payables	(1,753,778)
Carrying amount of net assets disposed	300,912
Sales proceeds	2
Carrying amount of net assets disposed	(300,912)
Loss on disposal of subsidiaries	(300,910)
Consideration received, satisfied in cash	2
Cash and cash equivalents disposed	(1,632,609)
Proceeds from disposal of subsidiaries, net of cash disposed	(1,632,607)

23. 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 that 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) **2024** US$	**Significant unobservable inputs** (Level 3) **2023** US$
Loans and debentures (Note 12)		
Convertible loans and debentures	3,523,420	4,186,563
At 31 December	3,523,420	4,186,563

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 investees.

23. 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)
Recurring fair value measurement at FVTPL				
2024				
Convertible loans and debentures	3,523,420	Discounted cash flow	Discount rates	14.80%
2023				
Convertible loans and debentures	4,186,563	Discounted cash flow	Discount rates	14.53%

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), 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.

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

Carrying amounts of financial instruments by categories

	Group		Company	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Financial assets measured at amortised cost				
Amounts due from subsidiaries	–	–	93,927	68,583
Advance to developers	91,232	91,232	91,232	91,232
Amounts due from related parties	4,428,858	1,233,902	4,045,094	1,133,747
Amounts due from joint ventures	944,514	1,849,323	37,986	37,986
Other receivables (excluding Value-added taxes receivables)	8,191,098	6,640,698	433	75,783
Deposits	868,223	595,934	221,240	161,961
Cash and cash equivalents	37,889,135	46,171,105	31,538,885	35,653,964
	52,413,060	56,582,194	36,028,797	37,223,256
Financial liabilities measured at amortised cost				
Amounts due to related parties	356,283	17,197	339,736	15,747
Trade and other payables	3,033,803	3,039,676	1,534,887	1,665,556
Lease liabilities	3,548,320	754,775	3,067,460	129,929
	6,938,406	3,811,648	4,942,083	1,811,232
Net financial assets measured at amortised cost	45,474,654	52,770,546	31,086,714	35,412,024
Financial assets measured at fair value				
Debt securities (unquoted)	3,523,420	4,186,563	–	–

24. 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; and
- 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; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

24. 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.

The Company has promissory notes of GBP47.3 million (2023: GBP31.3 million) issued in its favour by the UK government which, if needed, can be drawn down on demand.

24. Financial risk management policies and objectives (cont'd)

(b) ***Liquidity risk (cont'd)***

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:

	2024				2023			
		Contractual cash flows				Contractual cash flows		
	Total	One year or less	One to five years	More than five years	Total	One year or less	One to five years	More than five years
	US$	US$	US$	US$	US$	US$	US$	US$
Group								
Financial liabilities								
Amounts due to related parties	356,283	356,283	–	–	17,197	17,197	–	–
Trade and other payables	3,033,803	3,033,803	–	–	3,039,676	3,039,676	–	–
Lease liabilities	4,265,349	700,339	3,068,443	496,567	1,204,431	195,788	275,654	732,989
	7,655,435	4,090,425	3,068,443	496,567	4,261,304	3,252,661	275,654	732,989
Company								
Financial liabilities								
Amounts due to related parties	339,736	339,736	–	–	15,747	15,747	–	–
Amounts due subsidiaries	95,093	95,093	–	–	64,210	64,210	–	–
Trade and other payables	1,534,887	1,534,887	–	–	1,665,556	1,665,556	–	–
Lease liabilities	3,483,714	683,081	2,800,633	–	131,835	131,835	–	–
	5,453,430	2,652,797	2,800,633	–	1,877,348	1,877,348	–	–

24. Financial risk management policies and objectives (cont'd)

(c) *Interest rate risk*

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), Indian Rupee (INR) and Pakistan Rupee (PKR). Management has determined that SGD, INR and PKR are the three 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, INR and PKR exchange rates against the functional currency of the Group, with all other variables held constant.

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	US$	US$	US$	US$
Singapore Dollars (SGD)				
– Strengthened by 10% (2023: 10%)	(176,791)	(470,189)	(192,206)	(482,405)
– Weakened by 10% (2023: 10%)	176,791	470,189	192,206	482,405
Indian Rupee (INR)				
– Strengthened by 10% (2023: 10%)	524,621	536,036	–	–
– Weakened by 10% (2023: 10%)	(524,621)	(536,036)	–	–
Pakistan Rupee (PKR)				
– Strengthened by 10% (2023: 10%)	340,156	121,930	–	–
– Weakened by 10% (2023: 10%)	(340,156)	(121,930)	–	–

25. 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 2024 and 31 December 2023.

26. Events occurring after the reporting period

The Company and its subsidiaries, and other related companies controlled by the Private Infrastructure Development Group Trust are preparing for a reorganisation which is expected to be completed after the issue of these financial statements, on a date yet to be determined. As at 31 December 2024 the reorganisation had not been approved by the PIDG members.

As a consequence of this reorganisation, the direct owner of the entire equity of the Company will change from the Private Infrastructure Development Group Trust to the Private Infrastructure Development Group Limited, a company incorporated in England and Wales. The Private Infrastructure Development Group Trust will remain the ultimate owner.

There is expected to be no financial effect on the Company.

Following the year end, in February 2025 the UK government announced plans for the aid spending target to reduce further in 2027 from 0.5% of gross national income (GNI) to 0.3%. The UK is the largest provider of funding to the Group and the wider PIDG group. The Directors and executives of the PIDG Group are in ongoing discussions with the Foreign, Commonwealth & Development Office (FCDO) to understand the long-term implications of this decision upon the Group. All future commitments of the Group are fully funded beyond 12 months from the date of issuing these financial statements.

Other than the above, the Group has not identified any other post balance sheets following the year ended 31 December 2024.

27. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 28 March 2025.