



1H 2023
**FINANCIAL
REPORT**



**VENA
ENERGY**



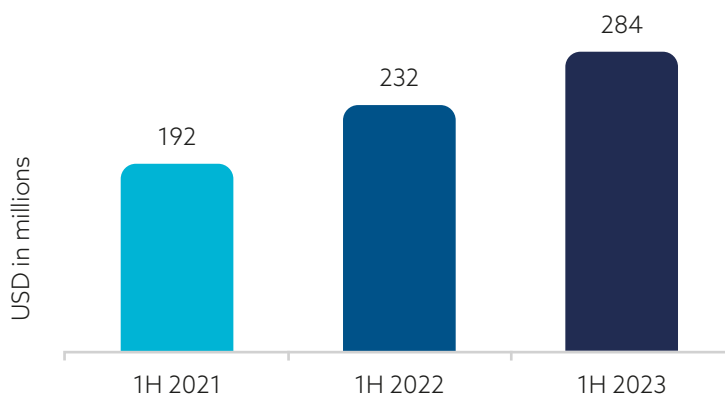
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1. FINANCIALS

1.1. FINANCIAL HIGHLIGHTS

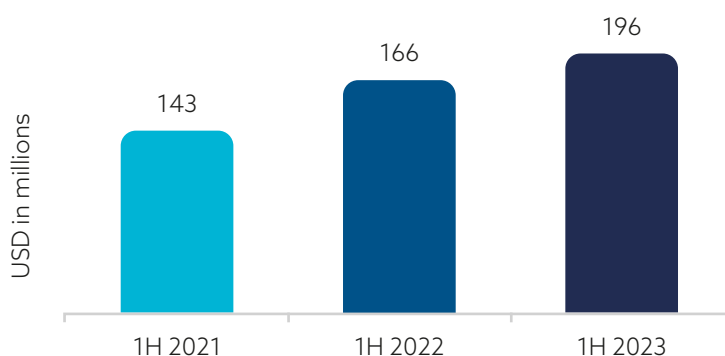
Revenue

\$284 million  **22%** P-on-P



EBITDA

\$196 million  **18%** P-on-P



Revenue and EBITDA for 1H 2023 increased by \$52 million and \$30 million, demonstrating steady growth period-on-period. The revenue and EBITDA growth is derived from a larger operational portfolio which generated 22% more renewable energy from 1.8 TWh in 1H 2022 to 2.2 TWh in 1H 2023, and capacity charge revenue from our first utility-scale battery project in Queensland, Australia.

The revenue and EBITDA demonstrated growth despite the foreign currency impact due to the broad USD strengthening which resulted in \$15 million and \$10 million lower USD-denominated revenue and EBITDA respectively, mainly due to USD strengthening against the JPY.

1.2. PROPORTIONATE¹ FINANCIAL RESULTS

Operating Performance		
(USD in millions except margin data)	For six-month period ended	
	30 Jun 2023	30 Jun 2022
Total Revenue	283.8	231.9
Operating expenses	(87.4)	(65.8)
EBITDA	196.4	166.1
Depreciation and amortisation	(108.6)	(92.7)
EBIT	87.8	73.4
Net interest costs	(52.3)	(49.3)
Other finance charge	(7.6)	(43.3)
Other gains	0.6	1.1
Development expenses	(1.8)	(1.3)
Tax	(4.6)	(5.5)
Net Income / (Loss)	22.1	(24.9)
EBITDA margin (%)	69%	72%

Capitalisation		
(USD in millions)	As at	
	30 Jun 2023	31 Dec 2022
Euro Medium Term Note	500.0	500.0
Foreign currency effect of cross currency swaps ² ("CCS FX")	(107.8)	(75.9)
Euro Medium Term Note (including CCS FX)	392.2	424.1
Corporate RCF	48.9	15.1
Project finance debt	2,685.0	2,573.9
Working capital loan	-	6.0
Total bank borrowings	3,126.1	3,019.1
Equity	3,104.8	3,143.8
Total capitalisation	6,230.9	6,162.9

¹ Financial results are prepared based on the proportionate accounting method where items like assets, liabilities, income and expenses of subsidiaries and equity-accounted investees are proportionally aggregated based on Vena Energy's economic share. Reconciliation of key items between the Interim Condensed Combined Financial Statements and Proportionate financial results are included in Appendix A.

² The \$500 million EMTN were swapped to JPY via cross currency swaps. Foreign currency effect of cross currency swaps (CCS) is determined using the difference of the JPY notional of the CCS translated to USD at the prevailing FX rate as of the reporting date and the USD notional of the Green Bond.

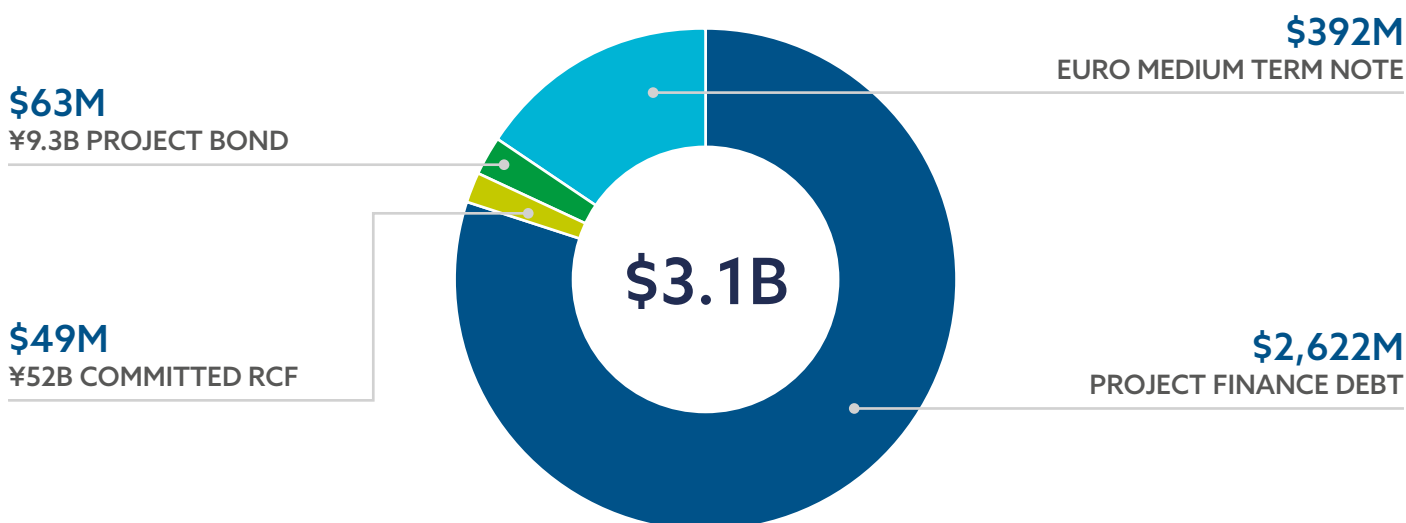
Other Financial Data		
	For last twelve months ended	
	30 Jun 2023	31 Dec 2022
Funds from Operational Assets ³	173.8	166.7
Interest Coverage Ratio ⁴	21.8x	18.6x
	For six-month period ended	
	30 Jun 2023	30 Jun 2022
Capital expenditures	322.1	340.5

³ Refer to Appendix A for the definition of Funds from Operational Assets ("FFOA") and breakdown of FFOA by markets.

⁴ Interest coverage ratio is a non-IFRS financial measure and represents the FFOA for the relevant period divided by the interest expense of the corporate debt financing (EMTN and Corporate RCF) for the same relevant period.

1.3. DEBT AND LIQUIDITY POSITION

DEBT OUTSTANDING AS OF 30 JUNE 2023



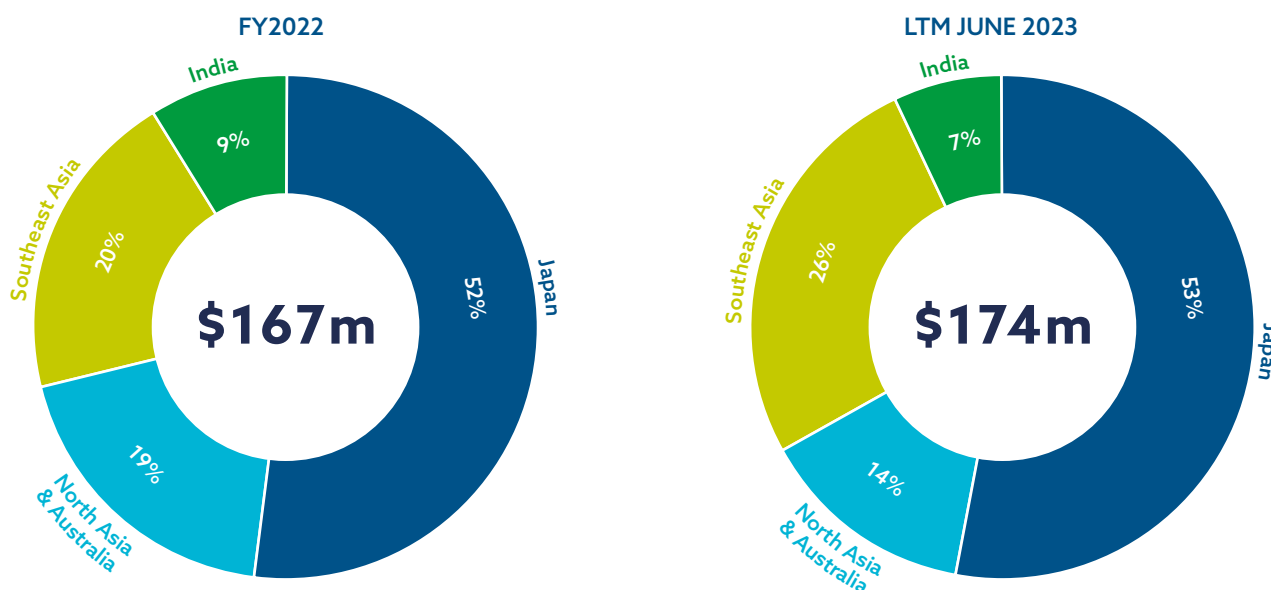
Vena Energy's overall debt position as of 30 June 2023 was at \$3.1 billion, an increase of \$107 million compared to 31 December 2022. During the period, excluding the effects of favourable foreign exchange of \$121 million on debt outstanding, Vena Energy drew down approximately \$441 million of project finance debt across various assets and the corporate RCF. At the same time, \$213 million of scheduled project finance debt and working capital loan repayments were made on existing operational assets.

Leverage Ratio

(USD in millions except margin data)	30 Jun 2023	31 Dec 2022
Funds from Operational Assets ("FFOA")⁵	173.8	166.7
Euro Medium Term Note	500.0	500.0
Foreign currency effect of cross currency swaps ² ("CCS FX")	(107.8)	(75.9)
Euro Medium Term Note (including CCS FX)	392.2	424.1
Corporate RCF	48.9	15.1
Corporate Gross Debt	441.1	439.2
Less: Corporate Cash & Cash Equivalents	(22.2)	(41.0)
Corporate Net Debt	418.9	398.2
Corporate Net Debt to FFOA	2.4x	2.4x

⁵ FFOA is presented as last twelve months ended the relevant period.

FFOA Breakdown by Markets



Vena Energy generated an FFOA of \$174 million in the last twelve months (“LTM”) ended 30 June 2023, an increase of \$7 million or 4% compared to the LTM ended 31 December 2022. This was diversified across 4 markets and 83 operating assets (LTM ended 31 December 2022: 80 operating assets).

The \$7 million increase in FFOA was a result of a larger operational portfolio which generated 22% more renewable energy from 1.8 TWh in 1H 2022 to 2.2 TWh in 1H 2023, and capacity charge revenue from our first utility-scale battery project in Queensland, Australia. The FFOA demonstrated growth despite foreign currency effects due to the broad USD strengthening which resulted in \$5 million lower USD-denominated FFOA.

JPY depreciation against the USD contributed to a significant portion of the FX impact, and such impact is mitigated by our strategy to hedge the existing corporate USD bond to JPY via cross currency swaps.

Liquidity Position

(USD in millions)	As at	
	30 Jun 2023	31 Dec 2022
Available Corporate RCF	283.7	246.5
Corporate Cash & Cash Equivalents	22.2	41.0
Liquidity	305.9	287.5

Our liquidity position remains robust, with \$306 million of total available liquidity, including the committed corporate RCF.

Significant Event Post June 2023

In August 2023, Vena Energy established a 5-year \$550 million multicurrency unfunded Green Letter of Credit corporate facility.

On 1 September 2023, Vena Energy Pte. Ltd., a wholly owned subsidiary of Vena Energy Holdings, was awarded the Finance and Treasury Centre incentive by the Economic Development Board of Singapore, as part of the ongoing expansion of Vena Energy’s corporate group in the country.

2. LEGAL STATEMENTS

This report does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Vena Energy Capital Pte. Ltd., Vena Energy Holdings Ltd., Vena Energy (Taiwan) Holdings Ltd., Zenith Japan Holdings Ltd. (together, "Vena Energy") or any of their respective subsidiaries or affiliates in any jurisdiction or an inducement to enter into investment activity. Any decision to purchase securities in the context of a proposed offering to be undertaken in the future by Vena Energy, if any, should be made on the basis of information contained in the offering document published in relation to such an offering. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of Vena Energy or any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with the document. This report contains "forward-looking statements", which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include forward-looking terms such as "targets", "believes", "expects", "plans", "intends", "anticipates", "projects", "aims", "seeks", "may", "will", "would", "should", "could" or similar expressions or the negative thereof. However, these words are not exclusive means of identifying forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Vena Energy's control that could cause the actual results, performance or achievements of Vena Energy to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, including, among others, financial forecasts, profit projections, the achievement of anticipated levels of profitability, growth, cost and synergy of recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the economic, political and legal environment of Singapore and other jurisdictions in which Vena Energy operates, volatility in stock markets or in the price of Vena Energy's securities, financial risk management and the impact of general business and global economic conditions. You are cautioned not to place any reliance on these forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Vena Energy's present and future business strategies and the environment in which Vena Energy will operate in the future. Any opinions expressed in this report are subject to change without notice and may differ, or be contrary to, opinions expressed by other business areas or groups of Vena

Energy as a result of using different assumptions and criterion. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as at the date as of which they are made, and Vena Energy expressly disclaims any responsibility, and undertakes no obligation, to update or revise any forward-looking statements contained herein to reflect any change in Vena Energy's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. Forward-looking statements contained in this report regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Neither Vena Energy, nor any of their respective agents, employees or advisers intends or has any responsibility, duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this report.

This report includes measures of financial performance which are not a measure of financial performance under International Financial Reporting Standards ("IFRS"), such as "EBITDA", "LCOE", "Proportionate EBITDA", "Proportionate EBITDA Margins", "Net Debt" and "Funds from Operational Assets" (together, the "Non-IFRS Measures"). These Non-IFRS Measures are presented because Vena Energy believes they are useful measures to reflect its financial condition and historical ability to provide investment returns. The Non-IFRS Measures and other measures of financial performance presented in this report are supplemental financial measures and should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net profit or indicators of Vena Energy's operating performance on any other measure of performance derived in accordance with IFRS. Because the Non-IFRS Measures are not IFRS measures they may not be comparable to similarly titled measures presented by other companies.

The information contained in this report is provided as at the date of this document and is subject to change without notice. This report is for information purposes only and may contain data sourced from and the views of independent third parties. In replicating such data in this report, Vena Energy has not independently verified any of such data and there can be no assurance as to the accuracy or completeness of such data. Accordingly, Vena Energy makes no representation (whether express or implied) as to, and no reliance should be placed on, the accuracy or completeness of such data, information or opinions contained in this report. The replication of any views in this report should be not treated as an indication that Vena Energy agrees with or concurs with such views. It is not Vena Energy's intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of Vena Energy's financial or trading position or prospects.

APPENDIX A: SUPPLEMENTARY FINANCIAL INFORMATION



The non-IFRS financial and other operating data set out in “Key Non-IFRS Financial Data” section which has been derived from the Interim Condensed Combined Financial Statements and the Interim Condensed Financial Statements¹ of Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust (each a “**Vena Entity**” and together, the “**Vena Entities**”) for the six months ended 30 June 2023, and management schedules, where applicable, are supplemental financial measures and are not presented in accordance with International Financial Reporting Standards (“**IFRS**”) or generally accepted accounting principles in other countries, including the United States. Accordingly, these data should not be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of Vena Energy, as reported under IFRS.

The following non-IFRS financial data, namely Proportionate Revenue, Proportionate EBITDA, Proportionate EBITDA Margin, Corporate Net Debt, Funds from Operational Assets (“**FFOA**”) and Corporate Net Debt to FFOA, as well as other operating

data, are presented below as Vena Energy believes they are useful supplements to its financial data presented under IFRS, as measures of Vena Energy’s financial and operating performance as well as measures of its assets’ ability to generate cash from operations. In particular, as assets located in the Philippines are defined as associates under IFRS, among other things, revenues from and project finance debt of these renewable energy generation assets are not consolidated but are instead accounted for using the equity method of accounting under “share of net profit/(loss) of equity-accounted investees” in the Interim Condensed Combined Financial Statements. Accordingly, the Interim Condensed Combined Financial Statements does not reflect the revenue and debt of these equity-accounted investees, which are however included in the non-IFRS financial and other operating data.

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

¹ “**Interim Financial Statements**” is defined as the interim condensed financial statements of Vena Energy Holdings Ltd and its subsidiaries, interim condensed financial statements of Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and the interim condensed financial statements of Zenith Japan Holdings Trust and its subsidiaries for the six-months period ended 30 June 2023. The Interim Financial Statements for the six months period ended 30 June 2023 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and reviewed by an independent auditor in accordance with the Singapore Standards on Review Engagements.

Key Non-IFRS Financial Data

(USD in millions except margin data)	For six-months ended	
	30 Jun 2023	30 Jun 2022
Proportionate Revenue ^(a)	283.8	231.9
Proportionate EBITDA ^(b)	196.4	166.1
	As at	
	30 Jun 2023	31 Dec 2022
Corporate Net Debt ^(d)	418.9	398.2
Funds from Operational Assets ("FFOA") ^(e)	173.8	166.7
Corporate Net Debt to FFOA ^(f)	2.4x	2.4x

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

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

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

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

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

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

Reconciliation of Combined Financial Results to Proportionate Financial Results

Reconciliation of Gross Revenue to Proportionate Revenue		
(USD in millions)	For six-months ended	
	30 Jun 2023	30 Jun 2022
Revenue	243.8	198.9
Other income	8.3	8.1
Total income	252.1	207.0
Less: Total income attributable to non-controlling interest	(12.1)	(6.6)
Add: Total income of equity-accounted investees	43.8	31.5
Proportionate Revenue	283.8	231.9

Reconciliation of Profit/(Loss) for the Period to Adjusted EBITDA and Proportionate EBITDA		
(USD in millions)	For six-months ended	
	30 Jun 2023	30 Jun 2022
Profit/(Loss) for the Period	26.7	(14.0)
Add: Development costs	0.8	0.9
Add: Depreciation and amortisation expense	93.4	75.1
Add: Net finance costs	51.1	90.5
Less: Write back of other payables	(0.5)	(1.2)
Add: Loss on disposals or write-off of assets	(0.1)	-
Less: Share of net profit of equity-accounted investees, net of tax	(9.1)	(10.4)
Add: Tax expense	4.8	4.1
Adjusted EBITDA	167.1	145.0
Less: Adjusted EBITDA attributable to non-controlling interest	(11.0)	(6.2)
Add: Adjusted EBITDA of equity-accounted investees	40.3	27.3
Proportionate EBITDA	196.4	166.1

Funds from Operational Assets

The following tables present the Funds from Operational Assets of Vena Energy for the last twelve months ended 30 June 2023 and 31 December 2022.

Funds from Operational Assets represents an indicator of recurring funds generated by the Operational Assets that can be used for servicing the corporate net debt, committed and discretionary capital expenditure, development costs and working capital. "Operational Asset" means a subsidiary or equity-accounted investee of Vena Energy which holds the legal and economic interest in a renewable generation facility that is commissioned and capable of generating and selling electricity.

Funds from Operational Assets is a non-IFRS financial measure and represents proportionate results from Operational Assets

attributable to Vena Energy plus cash flows received from proportionate interest income and after deducting cash flows to (a) repay any proportionate scheduled principal amounts under any debt or financing arrangement of the Operational Assets, (b) pay any proportionate interest or any other financing expense on any debt or financing arrangement of the Operational Assets, (c) pay any proportionate obligations in connection with the hedging arrangements for the debt or financing arrangement, (d) pay any lease liabilities obligations and (e) pay any proportionate corporate income taxes.

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

(USD in millions)	Japan	India	Southeast Asia			North Asia & Australia		Total
			Indonesia	Philippines	Thailand	Taiwan	Australia	
LAST TWELVE MONTHS ENDED 30 JUNE 2023								
Revenue	208.3	87.0	29.1	67.2	43.7	89.1	19.5	543.9
Less: Operating Expenses								
- Operation and maintenance costs	(15.9)	(9.2)	(2.4)	(3.3)	(1.1)	(4.8)	(1.4)	(38.1)
- Asset management & shared service fees	(4.6)	(3.7)	(2.2)	(2.5)	(0.3)	(9.6)	(0.5)	(23.4)
- Business related taxes	(11.7)	(0.1)	(0.1)	(3.5)	-	(1.3)	-	(16.7)
- Land rent and occupancy costs	(1.6)	(0.1)	(0.2)	(0.2)	-	(0.6)	-	(2.7)
- General and administrative expenses	(9.9)	(5.4)	(3.0)	(5.7)	(1.1)	(21.6)	(0.9)	(47.6)
Results from Operational Assets^(a)	164.6	68.5	21.2	52.0	41.2	51.2	16.7	415.4
Less: Share of economic interest attributable to other shareholder ^(b)	(12.2)	-	-	(3.3)	(12.3)	-	-	(27.8)
Proportionate results from Operational Assets	152.4	68.5	21.2	48.7	28.9	51.2	16.7	387.6
Add: Interest income received ^(c)	0.1	2.5	0.6	0.6	-	0.2	0.3	4.3
Less: Debt service ^(d) and tax payments	(60.9)	(59.5)	(16.1)	(20.8)	(17.5)	(28.5)	(14.8)	(218.1)
Funds from Operational Assets^(e)	91.6	11.5	5.7	28.5	11.4	22.9	2.2	173.8

(USD in millions)	Japan	India	Southeast Asia			North Asia & Australia		Total
			Indonesia	Philippines	Thailand	Taiwan	Australia	
YEAR ENDED 31 DECEMBER 2022								
Revenue	166.5	91.8	26.5	55.6	42.2	75.0	20.5	478.1
Less: Operating Expenses								
- Operation and maintenance costs	(14.3)	(9.7)	(2.3)	(3.3)	(1.1)	(3.8)	(1.2)	(35.7)
- Asset management & shared service fees	(4.4)	(4.2)	(2.2)	(1.8)	(0.7)	(5.9)	(0.4)	(19.6)
- Business related taxes	(8.8)	(0.1)	-	(3.5)	-	(1.3)	-	(13.7)
- Land rent and occupancy costs	(1.4)	(0.1)	(0.2)	(0.2)	-	(0.5)	-	(2.4)
- General and administrative expenses	(7.3)	(5.1)	(3.1)	(4.7)	(1.2)	(18.0)	(0.7)	(40.1)
Results from Operational Assets^(a)	130.3	72.6	18.7	42.1	39.2	45.5	18.2	366.6
Less: Share of economic interest attributable to other shareholder ^(b)	(3.4)	-	-	(0.6)	(11.7)	-	-	(15.7)
Proportionate results from Operational Assets	126.9	72.6	18.7	41.5	27.5	45.5	18.2	350.9
Add: Interest income received ^(c)	0.1	1.5	0.2	0.2	-	-	0.1	2.1
Less: Debt service ^(d) and tax expenses	(40.4)	(60.0)	(16.4)	(20.0)	(16.8)	(20.5)	(12.2)	(186.3)
Funds from Operational Assets^(e)	86.6	14.1	2.5	21.7	10.7	25.0	6.1	166.7

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

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

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

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

^(e) Funds from Operational Assets has been compiled based on the group reporting package of each Operational Asset (as defined above) used for the purposes of preparing the Interim Financial Statements, or management schedules, where applicable. Funds from Operational Assets excludes the following major cash flow items: (1) changes in working capital, (2) cash prepayment of project finance debt which was refinanced or restructured, (3) proceeds from drawdown of project finance debt, (4) transaction costs related to project finance debt and (5) contribution from and distribution to equity holders.

APPENDIX B: 1H 2023 INTERIM FINANCIAL STATEMENTS



The Interim Condensed Combined Financial Statements (as defined herein) included in this document has been prepared in order to present the (a) combined statements of profit or loss of Vena Entities for the six months ended 30 June 2023, (b) combined statements of comprehensive income of Vena Entities for the six months ended 30 June 2023, (b) combined statements of financial position of Vena Entities as at 30 June 2023, and (c) combined statements of cash flows of Vena Entities for the six months ended 30 June 2023 (together with the notes comprising a summary of significant accounting policies and other explanatory information, the "Interim Condensed Combined Financial Statements").

The Interim Condensed Combined Financial Statements has been prepared to fulfil our obligations under paragraph 5(b) under the "Terms and Conditions of the Notes" pursuant to our US\$1,000,000,000 Guaranteed Euro Medium Term Note Programme and our obligations under Rule 323 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Interim Condensed Combined Financial Statements is intended to supplement, and should be read in conjunction with, the Interim Financial Statements of Vena Energy Holdings Ltd and its subsidiaries, Vena Energy (Taiwan) Holdings Ltd and its subsidiaries, and Zenith Japan Holdings Trust and its subsidiaries, for the six-month period ended 30 June 2023, which were prepared in accordance with International Accounting Standard 34 *Interim*

Financial Reporting issued by the International Accounting Standards Board and included in this document. Readers of the Interim Condensed Combined Financial Statements who are not familiar with International Financial Reporting Standards are urged to consult with their own professional advisers. The Interim Condensed Combined Financial Statements reflects certain estimates, assumptions and judgements made by Vena Energy. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities as of the dates presented as well as revenue and expenses reported for the periods presented. As a result, the Interim Condensed Combined Financial Statements is not necessarily indicative of what Vena Energy's actual results of operations, financial position and cash flow would have been on or as of such dates, nor does it purport to project Vena Energy's results of operations, financial position or cash flows for any future period or date.

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Financial Statements
For the six months ended 30 June 2023



Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

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**Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries**

**Independent Auditor's Report
For the six months ended 30 June 2023**

**Board of Directors
Vena Energy Pte Ltd**

Report on the review of the interim condensed combined financial statements

Introduction

We have reviewed the accompanying interim condensed combined financial statements of Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust and their subsidiaries (collectively, the "Vena Energy Group"), which comprise the condensed combined statement of financial position as at 30 June 2023, the condensed combined statement of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended, and material accounting policy information and other explanatory notes. Management of Vena Energy Pte Ltd is responsible for the preparation and presentation of the interim condensed combined financial statements in accordance with the basis of preparation set out in Note 3 of the interim condensed combined financial statements. Our responsibility is to express a conclusion on the interim condensed combined financial statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed combined financial statements as at and for the six months ended 30 June 2023 are not prepared, in all material respects, in accordance with the basis of preparation set out in Note 3.

**Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries**

**Independent Auditor's Report
For the six months ended 30 June 2023**

**Board of Directors
Vena Energy Pte Ltd**

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

We draw attention to Notes 2 and 3 of the interim condensed combined financial statements, which describe the basis of combination and preparation. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim condensed combined financial statements for the purpose of reporting to external counterparties for existing bonds issued and for no other purpose. Our report will be made available by Vena Energy Group to the existing bond holders and potential bond investors for their information only. We do not assume responsibility to anyone other than the Vena Energy Group for our work, for our report, or for the conclusions we have reached in our report. Our conclusion is not modified in respect of this matter.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

31 August 2023

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Profit or Loss
For the six months ended 30 June 2023

	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Sale of energy		236,533	194,500
Fee income		7,295	4,397
Total revenue	7	243,828	198,897
Other income	8	8,344	8,083
Operating costs	9(a)	(38,074)	(33,766)
Other costs of operations	9(b)	(9,942)	(7,279)
Shared services costs	10	(37,030)	(20,912)
Development costs	11	(815)	(899)
Depreciation expense	15,16	(62,415)	(43,894)
Amortisation expense	17	(30,960)	(31,179)
Results from operating activities		72,936	69,051
Finance income	12	8,956	5,724
Finance costs	12	(55,224)	(48,632)
Change in fair value of financial instruments at fair value through profit or loss ("FVTPL")	13	(3,953)	(1,722)
Net foreign exchange loss		(846)	(45,911)
Net finance costs		(51,067)	(90,541)
Write-off of project costs		–	(17)
Gain on disposal of property, plant and equipment		85	3
Impairment loss reversed on financial assets		3	2
Write back of other payables		507	1,185
Share of results of equity-accounted investees, net of tax	18	9,068	10,371
Profit/(loss) before tax	14	31,532	(9,946)
Tax expense		(4,800)	(4,092)
Profit/(loss) for the period		26,732	(14,038)
Profit/(loss) attributable to:			
Owners of the Holding Companies		22,087	(18,675)
Non-controlling interests		4,645	4,637
		26,732	(14,038)

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Comprehensive Income
For the six months ended 30 June 2023

	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Profit/(loss) for the period		26,732	(14,038)
Other comprehensive income (“OCI”)			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		5	229
Related tax		–	(18)
		5	211
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences		(100,129)	(325,553)
Foreign currency translation differences of equity-accounted investees	18	(8,367)	(32,913)
Effective portion of changes in fair value of cash flow hedge, net		15,804	(47,730)
Effective portion of hedge of net investment in foreign operation		31,887	74,502
		(60,805)	(331,694)
Other comprehensive income for the period		(60,800)	(331,483)
Total comprehensive income for the period		(34,068)	(345,521)
Total comprehensive income attributable to:			
Owners of the Holding Companies		(42,235)	(347,480)
Non-controlling interests		8,167	1,959
		(34,068)	(345,521)

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Financial Position
As at 30 June 2023

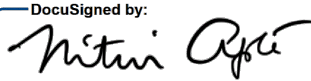
	Note	30 June 2023 US\$'000	31 December 2022 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	3,021,499	2,795,665
Right-of-use assets	16	351,185	347,648
Intangible assets	17	1,896,220	1,996,132
Equity-accounted investees	18	516,851	514,120
Other investments		112	2,559
Deferred tax assets		21,633	14,836
Loans receivables	19	25,671	20,924
Derivative assets	21	167,230	141,391
Prepayments and other assets	22	23,885	20,531
Trade and other receivables	23	32,912	44,035
Restricted cash	20	45,708	31,360
		6,102,906	5,929,201
Current assets			
Loans receivables	19	8,063	7,056
Trade and other receivables	23	351,533	235,995
Prepayments and other assets	22	22,656	21,885
Derivative assets	21	8,306	6,622
Cash and bank balances	20	567,298	439,484
		957,856	711,042
Total assets		7,060,762	6,640,243
Equity			
Share capital and units in issue		3,554,399	3,554,399
Accumulated profits		24,506	20,761
Reserves	27	(474,635)	(431,347)
Equity attributable to Owners of the Holding Companies		3,104,270	3,143,813
Non-controlling interests		152,332	80,673
Total equity		3,256,602	3,224,486

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

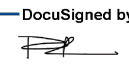
Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Financial Position (cont'd)
As at 30 June 2023

	Note	30 June 2023 US\$'000	31 December 2022 US\$'000
LIABILITIES			
Non-current liabilities			
Loans and borrowings	24	2,934,724	2,469,698
Lease liabilities	24	344,405	344,581
Employee benefits		781	770
Trade and other payables	25	5,301	6,180
Derivative liabilities	21	25,586	39,445
Asset retirement obligation		78,411	72,153
Deferred tax liabilities		12,790	11,778
		3,401,998	2,944,605
Current liabilities			
Loans and borrowings	24	260,572	277,824
Lease liabilities	24	12,738	13,376
Trade and other payables	25	122,345	167,198
Derivative liabilities	21	2,659	6,868
Current tax liabilities		3,848	5,886
		402,162	471,152
Total liabilities		3,804,160	3,415,757
Total equity and liabilities		7,060,762	6,640,243

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Nitin Srinivas Apte
Director, Vena Energy Pte Ltd
31 August 2023

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Rupert Charles Collinson Hall
Director, Vena Energy Pte Ltd
31 August 2023

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Changes in Equity
For the six months ended 30 June 2023

	Note	Attributable to owners of the Holding Companies								
		Share capital and units in issue US\$'000	Accumulated profits US\$'000	Capital reserve US\$'000	Translation reserve US\$'000	Cash flow hedge reserve US\$'000	Other reserve US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2023		3,554,399	20,761	50,000	(390,702)	(91,478)	833	3,143,813	80,673	3,224,486
Profit for the period		-	22,087	-	-	-	-	22,087	4,645	26,732
Other comprehensive income										
Foreign currency translation differences		-	-	-	(103,651)	-	-	(103,651)	3,522	(100,129)
Foreign currency translation differences of equity-accounted investees		-	-	-	(8,367)	-	-	(8,367)	-	(8,367)
Remeasurement of defined benefit plan		-	-	-	-	-	5	5	-	5
Effective portion of changes in fair value of cash flow hedge, net		-	-	-	-	15,804	-	15,804	-	15,804
Effective portion of hedge of net investment in foreign operation		-	-	-	31,887	-	-	31,887	-	31,887
Total comprehensive income for the period		-	22,087	-	(80,131)	15,804	5	(42,235)	8,167	(34,068)
Transactions with owners, recognised directly in equity										
Issuance of ordinary shares		1,258,847	-	-	-	-	-	1,258,847	-	1,258,847
Redemption of units		(1,258,847)	-	-	-	-	-	(1,258,847)	-	(1,258,847)
Acquisition of subsidiaries	32	-	-	-	-	-	-	-	38,651	38,651
Transfer of Tokumei Kumiai ("TK") interests without a loss in control	33	-	(16,998)	-	19,690	-	-	2,692	28,366	31,058
Reallocation of profits to legal reserve		-	(1,344)	-	-	-	1,344	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(3,525)	(3,525)
Total transactions with owners		-	(18,342)	-	19,690	-	1,344	2,692	63,492	66,184
At 30 June 2023		3,554,399	24,506	50,000	(451,143)	(75,674)	2,182	3,104,270	152,332	3,256,602

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Changes in Equity (cont'd)
For the six months ended 30 June 2023

	Note	Attributable to owners of the Holding Companies								
		Share capital and units in issue US\$'000	Accumulated profits US\$'000	Capital reserve US\$'000	Translation reserve US\$'000	Cash flow hedge reserve US\$'000	Other reserve US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2022		3,554,399	47,213	50,000	(75,516)	–	252	3,576,348	82,196	3,658,544
(Loss)/profit for the period		–	(18,675)	–	–	–	–	(18,675)	4,637	(14,038)
Other comprehensive income										
Foreign currency translation differences		–	–	–	(322,875)	–	–	(322,875)	(2,678)	(325,553)
Foreign currency translation differences of equity-accounted investees		–	–	–	(32,913)	–	–	(32,913)	–	(32,913)
Remeasurement of defined benefit plan		–	–	–	–	–	229	229	–	229
Tax on other comprehensive income		–	–	–	–	–	(18)	(18)	–	(18)
Effective portion of changes in fair value of cash flow hedge, net		–	–	–	–	(47,730)	–	(47,730)	–	(47,730)
Effective portion of hedge of net investment in foreign operation		–	–	–	74,502	–	–	74,502	–	74,502
Total comprehensive income for the period		–	(18,675)	–	(281,286)	(47,730)	211	(347,480)	1,959	(345,521)
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interests	31	–	(6,212)	–	–	–	–	(6,212)	(5,388)	(11,600)
Reallocation of profits to legal reserve		–	(124)	–	–	–	124	–	–	–
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	(1,977)	(1,977)
Total transactions with owners		–	(6,336)	–	–	–	124	(6,212)	(7,365)	(13,577)
At 30 June 2022		3,554,399	22,202	50,000	(356,802)	(47,730)	587	3,222,656	76,790	3,299,446

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Cash Flows
For the six months ended 30 June 2023

	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from operating activities			
Profit/(loss) before tax		31,532	(9,946)
Adjustments for:			
Depreciation expense	15,16	62,415	43,894
Amortisation expense	17	30,960	31,179
Gain on disposal of property, plant and equipment		(85)	(3)
Write-off of project costs		–	17
Write back of other payables		(507)	(1,185)
Impairment loss reversed on financial assets		(3)	(2)
Finance income	12	(8,956)	(5,724)
Finance costs	12	55,224	48,632
Change in fair value of financial instruments at FVTPL	13	3,953	1,722
Unrealised foreign exchange (gain)/loss		(1,746)	29,129
Share of results of equity-accounted investees, net of tax	18	(9,068)	(10,371)
		163,719	127,342
Changes in:			
- Trade and other receivables		45,127	(39,310)
- Prepayments and other assets		(3,617)	(273)
- Trade and other payables		(42,738)	11,408
		162,491	99,167
Cash generated from operating activities			
Tax paid		(9,893)	(4,887)
		152,598	94,280
Cash flows from investing activities			
Acquisition of non-controlling interests	31	–	(11,600)
Acquisition of subsidiaries, net cash paid	32	(9,164)	–
Proceeds from transfer of TK interests to non-controlling interests	33	31,058	–
Acquisition of equity-accounted investees	18	(12,534)	(53,179)
Repayment of loans from equity-accounted investees		–	4,533
Disbursement of loans to equity-accounted investees		(5,072)	(8,370)
Distributions from equity-accounted investees	18	10,504	8,399
Purchase of property, plant and equipment	(a)	(220,433)	(285,171)
Proceeds from disposal of property, plant and equipment		355	33
Settlement of derivatives		(1,587)	1,384
Interest received		3,523	595
		(203,350)	(343,376)

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Cash Flows (cont'd)
For the six months ended 30 June 2023

	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from financing activities			
Proceeds from drawdown of loans and borrowings			
- Project finance debts		318,232	299,198
- Revolving credit facility		113,702	55,648
- Working capital loans		–	10,806
- External party loan		1,392	–
Repayment of loans and borrowings			
- Project finance debts		(69,047)	(142,371)
- Revolving credit facility		(75,144)	(23,654)
- Working capital loans		(6,022)	(4,891)
Principal repayment of lease liabilities		(7,162)	(5,236)
Transaction costs related to loans and borrowings			
- Project finance debts		(2,965)	(3,747)
- Revolving credit facility		–	(992)
Interest paid			
- Project finance debts		(37,504)	(33,546)
- Term loan and revolving credit facility		(288)	(66)
- Working capital loans		(194)	(831)
- Euro Medium Term Note		(7,350)	(7,833)
- Lease liabilities		(1,823)	(1,975)
Net interest received for derivatives		3,047	2,048
Dividends paid to non-controlling interests		(3,525)	(1,977)
Deposits unpledged/(pledged)		9,208	(9,494)
Net cash generated from financing activities		234,557	131,087
Net increase/(decrease) in cash and cash equivalents		183,805	(118,009)
Cash and cash equivalents at beginning of period	20	297,618	369,819
Effect of exchange rate fluctuations on cash and cash equivalents		(32,438)	(4,166)
Cash and cash equivalents at end of period	20	448,985	247,644

(a) The Combined Group purchased property, plant and equipment amounting to US\$226.5 million. As at 30 June 2023, US\$84.5 million (2022: US\$78.4 million) remains payable.

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Combined Statement of Cash Flows (cont'd)
For the six months ended 30 June 2023

Significant non-cash transactions:

In June 2023, part of the Tokumei Kumiai interests ("TK Interests") of certain special purpose vehicles ("GKS" or "TK Operators") were transferred to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of Vena Energy Holdings Ltd ("VEHL") for a total purchase consideration of US\$1,258.8 million (JPY146.1 billion). The payment for this transaction was to be fulfilled by APAC via the issuance of a Promissory Note to Zenith Japan Holding Trust's ("ZJHT") subsidiary, Zenith Japan Trust ("ZJT").

The transaction has resulted in:

- (a) a series of redemptions which were satisfied in kind by the assignment of the rights to receive payment under the Promissory Note where the benefits of the Promissory Note were up streamed to the beneficiary of ZJHT. This led to the redemption of 1,236,460,043 units at an average price of US\$1.02 per unit in ZJHT, totalling US\$1,258.8 million; and
- (b) a series of subscriptions for shares where the benefits of the Promissory Note were assigned to VEHL. Consequently, the shareholder of VEHL subscribed to 125,884 number of ordinary shares at a par value of US\$0.01 each and share premium of US\$1,258.8 million were issued.

There was no cash inflow or outflow from the Combined Group's perspective arising from the above transaction.

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Combined Financial Statements
For the six months ended 30 June 2023

1. Domicile and activities

Reporting entity	Incorporation/ Establishment date	Place of incorporation/ Establishment	Registered address
Vena Energy Holdings Ltd	13 October 2017	Cayman Islands	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Vena Energy (Taiwan) Holdings Ltd	13 October 2017	Cayman Islands	
Zenith Japan Holdings Trust *	18 October 2017	Island of Guernsey	N/A

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

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

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

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

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

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Combined Financial Statements
For the six months ended 30 June 2023

1. Domicile and activities (cont'd)

1.1 Purpose of the combined financial statements

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

2. Basis of combination

The interim condensed combined financial statements consist of the interim condensed financial statements of Vena Energy Holdings Ltd and its subsidiaries, Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and Zenith Japan Holdings Trust and its subsidiaries for the six months period then ended 30 June 2023 on a combined basis.

The interim condensed combined financial statements have been derived from the aggregation of the assets, liabilities, income, expenses and cash flows of Vena Energy Holdings Ltd and its subsidiaries, Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and Zenith Japan Holdings Trust and its subsidiaries and prepared in accordance with the Combined Group's accounting policies as set out in Note 5. All balances, income, expenses and unrealised gains and losses arising from transactions between entities of the Combined Group were eliminated when preparing the combined financial statements.

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

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

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

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Combined Financial Statements
For the six months ended 30 June 2023

3. Basis of preparation

The interim condensed combined financial statements for the six months ended 30 June 2023 have been prepared in accordance with accounting policies of the Combined Group as set out in Note 5 below.

The purpose of the interim condensed combined financial statements is to show the condensed combined financial position, financial performance, changes in equity and cash flows of the Combined Group as a single performance unit as at and for the six months period then ended 30 June 2023.

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

The interim condensed combined financial statements do not include all the information and disclosures required in the annual financial statement, and should be read in conjunction with the last annual financial statements as at and for the year ended 31 December 2022.

4. Seasonality in operations

Seasonality in operations for the interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Combined Group's operating results are impacted by external factors, such as resource availability. For example, the amount of electricity that solar plants produce is dependent on the irradiation of a given project location and wind plants are impacted by wind conditions which vary across seasons.

5. Significant accounting policies

New standards, interpretations and amendments adopted by the Combined Group

The accounting policies adopted in the preparation of the interim condensed combined financial statements are consistent with those followed in the preparation of the Combined Group's annual financial statements for the year ended 31 December 2022 including the policies described below.

Several amendments apply for the first time in 2023, but do not have any material impact on the interim condensed combined financial statements of the Combined Group.

Vena Energy Holdings Ltd and its Subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
Zenith Japan Holdings Trust and its Subsidiaries

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6. Use of judgements and estimates

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

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

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

- Note 26 – fair value measurement of financial instruments measured at fair value through profit or loss.

Measurement of fair values

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

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

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

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

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

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6. Use of judgements and estimates (cont'd)

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

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

Further information about the assumptions made in measuring fair values is included in Note 26 Fair value of financial instruments.

7. Revenue

The Combined Group's revenue comprises:

	30 June 2023 US\$'000	30 June 2022 US\$'000
Sale of energy	236,533	194,500
Fee income		
- Shared services fee income from equity-accounted investees	7,295	4,397
Revenue recognised over time	<u>243,828</u>	<u>198,897</u>

Disaggregation of revenue from contracts with customers

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

	30 June 2023 US\$'000	30 June 2022 US\$'000
<u>Sale of energy</u>		
Japan	100,860	75,012
Taiwan	43,745	29,788
Thailand	23,611	22,109
India	44,525	49,314
Australia	9,741	6,803
Indonesia	14,051	11,474
	<u>236,533</u>	<u>194,500</u>
<u>Fee income</u>		
Shared services fee	7,295	4,397
Total revenue	<u><u>243,828</u></u>	<u><u>198,897</u></u>

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7. Revenue (cont'd)

Contract balances

Please refer to Note 23 for contract assets primarily relating to the Combined Group's right to consideration for sale of renewable energy which has not been billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Combined Group invoices the customer.

8. Other income

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Insurance claim	4,044	741
Government grants	178	229
Liquidated damages	3,310	3,177
Pre-commercial operation revenue	–	2,923
Others	812	1,013
	<hr/> 8,344	<hr/> 8,083
	<hr/> <hr/>	<hr/> <hr/>

9(a). Operating costs

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Operations and maintenance costs	18,846	18,387
Utilities and transmission costs	2,374	2,456
Asset related insurance	5,068	3,670
Professional fees	2,476	2,531
Rental – land and site office	542	211
Asset related tax and levies	7,825	5,651
Other general and administrative costs	943	860
	<hr/> 38,074	<hr/> 33,766
	<hr/> <hr/>	<hr/> <hr/>

Staff costs of US\$3.6 million (2022: US\$3.7 million) is included within operations and maintenance costs.

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9(b). Other costs of operations

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Revenue sharing	8,523	5,112
Liquidated damages	1,419	1,914
Others	–	253
	<hr/>	<hr/>
	9,942	7,279
	<hr/>	<hr/>

Revenue sharing of US\$8.5 million (2022: US\$5.1 million) relates to the amount payable to a local government agency based on a percentage of the gross revenue derived from certain of the Combined Group's operational solar assets.

10. Shared services costs

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Staff costs	34,783	28,131
Directors and Investment Committee members fee	210	325
Occupancy costs	574	625
IT expenses	1,658	1,280
Professional fees	3,515	3,326
Insurance	415	362
Travel and entertainment expenses	1,677	1,014
Other general and administrative costs	3,452	2,198
	<hr/>	<hr/>
	46,284	37,261
Less: Shared services costs capitalised	(9,254)	(16,349)
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	37,030	20,912
	<hr/>	<hr/>

11. Development costs

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Business related taxes	89	–
Insurance	4	–
Staff costs	–	16
Professional fees	451	575
Travel and entertainment expenses	53	52
Occupancy costs	31	57
Other general and administrative costs	187	199
	<hr/>	<hr/>
	815	899
	<hr/>	<hr/>

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12. Finance income and finance costs

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Finance income		
Interest income from:		
- Loans to equity-accounted investees	192	99
- Loans to third parties	291	472
- Bank deposits	3,184	647
- Cross currency swaps	5,289	4,506
	<hr/>	<hr/>
Total finance income	8,956	5,724
	<hr/> <hr/>	<hr/> <hr/>
Finance costs		
Interest expense on:		
- Project finance debts	(36,737)	(30,320)
- Term loan and revolving credit facility	(288)	(66)
- Lease liabilities	(2,003)	(1,414)
- Euro Medium Term Note	(7,308)	(7,324)
- Interest rate swaps	(1,069)	(2,824)
Other finance costs	(7,819)	(6,684)
	<hr/>	<hr/>
Total finance costs	(55,224)	(48,632)
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13. Change in fair value of financial instruments at FVTPL

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Gain/(loss) on change in fair value:		
- Forward contract	2,179	1,269
- Interest rate swaps	(21,022)	37,490
- Cross currency interest rate swaps	(674)	6,741
Hedge ineffectiveness of cross currency interest rate swaps	5,994	(21,640)
Hedge ineffectiveness of electricity derivatives	9,570	(25,582)
	<hr/>	<hr/>
	(3,953)	(1,722)
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14. Profit/(loss) before tax

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

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Staff costs		
Wages and salaries	24,161	20,242
Ordinary bonus	5,996	4,616
Contributions to defined contribution plans	609	677
Employee insurance	1,605	1,422
Recruitment fee	489	482
Staff benefits, allowances and others	5,197	4,364
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	38,057	31,803
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15. Property, plant and equipment

	Note	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Computer, fitting and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
Cost								
At 1 January 2022		77,042	20,981	1,861,602	585	5,717	732,426	2,698,353
Additions		11,960	213	61,643	110	1,274	645,205	720,405
Disposals		(2,019)	(14)	(569)	—	(14)	(35)	(2,651)
Write-off		(18)	—	(856)	—	—	(12,793)	(13,667)
Reclassification		(146)	20	745,760	—	51	(745,685)	—
Reclassification into intangible assets		(7,460)	—	—	—	—	—	(7,460)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment		—	—	—	—	—	7,312	7,312
Effect of exchange rate changes	16	(9,907)	(1,390)	(223,623)	(17)	(249)	(96,145)	(331,331)
At 31 December 2022		69,452	19,810	2,443,957	678	6,779	530,285	3,070,961
Acquisition of subsidiaries		—	—	162,215	—	—	—	162,215
Additions		1,402	58	12,182	114	568	212,183	226,507
Disposals		(15)	—	(331)	(7)	(2)	—	(355)
Reclassification		—	20	32,427	—	—	(32,447)	—
Capitalisation of depreciation of right-of-use asset into property, plant and equipment		—	—	—	—	—	2,246	2,246
Effect of exchange rate changes	16	(3,394)	(148)	(86,537)	(14)	(5)	(30,888)	(120,986)
At 30 June 2023		67,445	19,740	2,563,913	771	7,340	681,379	3,340,588

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

	Note	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Computer, fitting and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
Accumulated depreciation and impairment losses								
At 1 January 2022		-	(4,322)	(207,044)	(222)	(3,803)	-	(215,391)
Depreciation expense		-	(1,306)	(86,241)	(113)	(1,183)	-	(88,843)
Impairment loss reversed		-	-	286	-	-	-	286
Disposal		-	-	81	-	-	-	81
Write-off		-	-	55	-	-	-	55
Effect of exchange rate changes		-	441	27,860	33	182	-	28,516
At 31 December 2022		-	(5,187)	(265,003)	(302)	(4,804)	-	(275,296)
Depreciation expense		-	(674)	(53,943)	(66)	(510)	-	(55,193)
Disposal		-	-	78	7	-	-	85
Effect of exchange rate changes		-	138	11,165	10	2	-	11,315
At 30 June 2023		-	(5,723)	(307,703)	(351)	(5,312)	-	(319,089)
Carrying amounts								
At 31 December 2022		69,452	14,623	2,178,954	376	1,975	530,285	2,795,665
At 30 June 2023		67,445	14,017	2,256,210	420	2,028	681,379	3,021,499

As at reporting date, property, plant and equipment of the Combined Group with carrying amounts of US\$2,572.7 million (2022: US\$2,210.3 million) were pledged as collateral to secure project finance debts.

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16. Right-of-use assets

	Note	Land and buildings US\$'000	Office lease US\$'000	Others US\$'000	Total US\$'000
Cost					
At 1 January 2022		359,257	20,552	3,007	382,816
Additions		64,213	1,679	727	66,619
Lease modifications		(7,323)	88	(568)	(7,803)
Effect of exchange rate changes		(43,328)	(2,562)	(412)	(46,302)
<hr/>					
At 31 December 2022		372,819	19,757	2,754	395,330
Acquisition of subsidiaries	32	20,135	–	–	20,135
Additions		10,853	264	2,738	13,855
Disposals		–	(629)	(547)	(1,176)
Effect of exchange rate changes		(22,758)	(770)	(285)	(23,813)
<hr/>					
At 30 June 2023		381,049	18,622	4,660	404,331
<hr/>					
Accumulated depreciation					
At 1 January 2022		(26,129)	(7,435)	(1,425)	(34,989)
Depreciation expense		(6,601)	(3,235)	(711)	(10,547)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	15	(7,299)	(13)	–	(7,312)
Lease modifications		518	46	382	946
Effect of exchange rate changes		3,609	381	230	4,220
<hr/>					
At 31 December 2022		(35,902)	(10,256)	(1,524)	(47,682)
Depreciation expense		(4,614)	(1,563)	(1,045)	(7,222)
Disposals		–	574	407	981
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	15	(2,230)	(16)	–	(2,246)
Effect of exchange rate changes		2,701	184	138	3,023
<hr/>					
At 30 June 2023		(40,045)	(11,077)	(2,024)	(53,146)
<hr/>					
Carrying amounts					
At 31 December 2022		336,917	9,501	1,230	347,648
<hr/>					
At 30 June 2023		341,004	7,545	2,636	351,185
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17. Intangible assets

	Note	Goodwill US\$'000	Project- related agreements and licences US\$'000	Service concession intangible assets US\$'000	Total US\$'000
Cost					
At 1 January 2022		779,939	1,484,810	173,679	2,438,428
Additions		–	1	–	1
Write-off project costs		–	(2,880)	–	(2,880)
Reclassification from property, plant and equipment		–	7,460	–	7,460
Effect of exchange rate changes		(62,254)	(165,371)	–	(227,625)
At 31 December 2022		717,685	1,324,020	173,679	2,215,384
Acquisition of subsidiaries	32	–	5,099	–	5,099
Effect of exchange rate changes		(17,234)	(65,271)	–	(82,505)
At 30 June 2023		700,451	1,263,848	173,679	2,137,978
Accumulated depreciation					
At 1 January 2022		–	(156,680)	(18,384)	(175,064)
Amortisation expense		–	(53,821)	(6,640)	(60,461)
Effect of exchange rate changes		–	16,273	–	16,273
At 31 December 2022		–	(194,228)	(25,024)	(219,252)
Amortisation expense		–	(27,640)	(3,320)	(30,960)
Effect of exchange rate changes		–	8,454	–	8,454
At 30 June 2023		–	(213,414)	(28,344)	(241,758)
Carrying amounts					
At 31 December 2022		717,685	1,129,792	148,655	1,996,132
At 30 June 2023		700,451	1,050,434	145,335	1,896,220

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

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17. Intangible assets (cont'd)

As at reporting date, service concession intangible assets of the Combined Group with carrying amounts of US\$145.3 million (2022: US\$148.7 million) were pledged as collateral to secure project finance debts.

18. Equity-accounted investees

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Interests in joint ventures	68,051	71,860
Interests in associates	448,800	442,260
	<hr/>	<hr/>
Total interests in equity-accounted investees	516,851	514,120
	<hr/> <hr/>	<hr/> <hr/>

Investment in joint ventures

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

	Nanao Mega Solar GK ("Nanao")	KK Kyudenko Fukuosan Solar ("KK Fukuosan")	Wind Power Energy ("WPE")
	US\$'000	US\$'000	US\$'000
30 June 2023			

Statement of financial position

Non-current assets

Property, plant and equipment	100,496	91,129	51,088
Right-of-use assets	10,739	36,509	7,240
Intangible assets	1,114	25,297	–
Prepayments and other assets	82	210	–
Derivative assets	1,826	2,007	–
	<hr/>	<hr/>	<hr/>
	114,257	155,152	58,328
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Current assets

Prepayments and other assets	1,379	27	3
Trade and other receivables	11,284	1,520	830
Cash and bank balances	13,823	12,516	3,020
	<hr/>	<hr/>	<hr/>
	26,486	14,063	3,853
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Total assets

	140,743	169,215	62,181
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

30 June 2023	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000
<u>Statement of financial position (cont'd)</u>			
Non-current liabilities			
Loans and borrowings	93,689	84,489	12,169
Lease liabilities	4,128	38,635	7,281
Asset retirement obligation	4,026	4,884	–
	101,843	128,008	19,450
Current liabilities			
Loans and borrowings	–	5,919	83
Lease liabilities	195	2,317	260
Trade and other payables	5,858	987	2,279
Current tax liabilities	13	–	–
	6,066	9,223	2,622
Total liabilities	107,909	137,231	22,072
Net assets	32,834	31,984	40,109
<u>Statement of comprehensive income</u>			
Revenue	7,801	8,327	–
Other income	–	12	–
	7,801	8,339	–
Total revenue	7,801	8,339	–
Operating costs	(614)	(1,619)	(27)
Depreciation expense	(674)	(3,868)	–
Amortisation expense	(337)	(762)	–
	6,176	2,090	(27)
Results from operating activities	6,176	2,090	(27)
Finance costs	(358)	(960)	–
Change in fair value of financial instruments at FVTPL	(2,373)	(2,435)	–
	3,445	(1,305)	(27)
Profit/(loss) before tax	3,445	(1,305)	(27)
Tax expense	–	–	(2)
	3,445	(1,305)	(29)
Profit/(loss) for the period, representing total comprehensive income for the period	3,445	(1,305)	(29)

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18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

31 December 2022	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000
<u>Statement of financial position</u>			
Non-current assets			
Property, plant and equipment	72,469	101,394	52,489
Right-of-use assets	11,949	40,640	7,964
Intangible assets	1,205	28,146	–
Prepayments and other assets	1,517	240	–
Derivative assets	–	4,674	–
	87,140	175,094	60,453
Current assets			
Prepayment and other assets	–	32	1
Trade and other receivables	444	12,068	757
Derivative assets	4,419	–	–
Cash and bank balances	5,636	12,053	5,825
	10,499	24,153	6,583
Total assets	97,639	199,247	67,036
Non-current liabilities			
Loans and borrowings	60,560	100,458	13,158
Lease liabilities	4,713	44,168	7,948
Derivative liabilities	–	5,265	–
	65,273	149,891	21,106
Current liabilities			
Loans and borrowings	–	8,438	14
Lease liabilities	279	2,726	280
Trade and other payables	224	212	2,241
	503	11,376	2,535
Total liabilities	65,776	161,267	23,641
Net assets	31,863	37,980	43,395

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18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

30 June 2022	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000
<u>Statement of comprehensive income</u>			
Revenue	–	5,817	–
Operating costs	–	(329)	–
Development costs	(30)	–	(68)
Depreciation expense	–	(2,913)	–
Amortisation expense	–	(602)	–
Results from operating activities	(30)	1,973	(68)
Finance costs	–	(223)	–
Change in fair value of financial instruments at FVTPL	1,942	2,398	–
Profit/(loss) before tax	1,912	4,148	(68)
Tax expense	–	–	–
Profit/(loss) for the period, representing total comprehensive income for the period	1,912	4,148	(68)

30 June 2023	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000	Total US\$'000
Carrying amount of interests in joint ventures at 1 January 2023	22,590	26,914	22,356	71,860
Share of results of joint ventures	2,409	(913)	(15)	1,481
Foreign currency translation differences	(1,728)	(1,935)	(1,627)	(5,290)
Carrying amount of interests in joint ventures at 30 June 2023	23,271	24,066	20,714	68,051

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18. Equity-accounted investees (cont'd)

Investment in joint ventures (cont'd)

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

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18. Equity-accounted investees (cont'd)

Interests in associates

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

Associate entity name	Hangin ng Amihan Holdings, Inc. and its subsidiaries ("HANGIN")	Vena Energy Wind (Phil) Holdings Inc ("VEWPHI")	Helios Solar Energy Holdings Inc. and its subsidiaries ("HSEHI")	First Soleq Holdings Philippines Inc. ("FSHPI")	One Bukidnon Project Holdings Inc. ("OBPHI")	RA Solar Energy Holdings Inc. and its subsidiaries ("RSEHI")	Nuevo Solar Energy Corp. ("NSEC")
Nature of Associate	Investment holding entity for Alternergy Wind One Corporation ("Project Pililia")	Investment holding entity for Alternergy Wind One Corporation ("Project Pililia")	Investment holding entity for Helios Solar Energy Corp. ("Project Pollo")	Investment holding entity for First Soleq Energy Corp. ("Project Ironman")	Investment holding entity for Asian Green energy Corp. ("Project Zorro")	Investment holding entity for Mirae Asia Energy Corp. ("Project Garcia")	Operating entity for solar power plant ("Project Garcia 2")
Sector	54.0 MW wind	54.0 MW wind	132.5 MW solar	30.4 MW solar	10.5 MW solar	20.1 MW solar	83.3 MW solar
Principal place of business/ country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Direct economic interest held in associate by the Combined Group (%)	99.84%	100%	99.56%	99.31%	99.79%	99.91%	–
Effective economic interest held on the underlying project (%)	54.94%	39.97%	99.65%	99.45%	99.83%	99.97%	49.93%*
Direct Voting rights held in the associate by the Combined Group (%)	38.51%	37.29%	37.73%	31.43%	36.38%	40.00%	18.48%

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

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

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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

30 June 2023

Statement of financial position

Non-current assets

Property, plant and equipment
Intangible assets
Equity-accounted investees
Other receivables
Right-of-use assets
Prepayment and other assets

Current assets

Trade and other receivables
Prepayment and other assets
Cash and bank balances
Tax recoverable

Total assets

	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000	Garcia 2 NSEC US\$'000
	69,140	–	108,987	24,594	9,480	20,751	58,621
	640	–	–	–	–	968	–
	–	19,829	–	–	–	–	–
	2,447	56	476	3,454	162	347	6,000
	546	–	5,580	580	114	–	97
	32	–	78	–	–	31	–
	72,805	19,885	115,121	28,628	9,756	22,097	64,718
	15,178	–	19,285	5,490	2,973	4,164	919
	525	–	541	82	19	127	115
	22,480	33	11,496	928	774	1,004	9,907
	–	–	–	–	–	3	–
	38,183	33	31,322	6,500	3,766	5,298	10,941
	110,988	19,918	146,443	35,128	13,522	27,395	75,659

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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

30 June 2023

	Pillilia HANGIN US\$'000	Pillilia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000	Garcia 2 NSEC US\$'000
Statement of financial position (cont'd)							
Non-current liabilities							
Loans and borrowings	54,351	-	90,859	17,464	6,444	8,692	44,677
Employee benefits	34	-	58	-	-	22	-
Asset retirement obligation	2,456	-	824	225	45	149	97
Deferred tax liabilities	95	-	229	25	15	20	224
	56,936	-	91,970	17,714	6,504	8,883	44,998
Current liabilities							
Loans and borrowings	3,674	-	4,407	710	453	993	464
Trade and other payables	2,719	2	1,158	1,104	1,739	806	6,385
Current tax liabilities	-	-	-	5	-	-	141
	6,393	2	5,565	1,819	2,192	1,799	6,990
Total liabilities	63,329	2	97,535	19,533	8,696	10,682	51,988
Net assets	47,659	19,916	48,908	15,595	4,826	16,713	23,671

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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

30 June 2023

Statement of comprehensive income

Sale of energy, representing total revenue

Operating costs
 Shared services costs charged by a subsidiary
 Depreciation expenses

Results from operating activities

Finance income
 Finance costs
 Net foreign exchange (loss)/gain

Net finance costs

Share of results of associate

Profit before tax
 Income tax expense

**Profit for the period, representing total
 comprehensive income**

	Piillia HANGIN US\$'000	Piillia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000	Garcia 2 NSEC US\$'000
	12,138	–	16,246	3,580	1,354	3,223	5,803
	(2,028)	(2)	(2,170)	(550)	(356)	(625)	(450)
	(546)	–	(569)	(130)	(46)	(105)	(106)
	(2,057)	–	(3,315)	(843)	(310)	(694)	(547)
	7,507	(2)	10,192	2,057	642	1,799	4,700
	274	–	225	20	20	20	111
	(1,762)	–	(3,655)	(532)	(196)	(282)	(1,278)
	(3)	–	2	7	(1)	2	(17)
	(1,491)	–	(3,428)	(505)	(177)	(260)	(1,184)
	–	2,230	–	–	–	–	–
	6,016	2,228	6,764	1,552	465	1,539	3,516
	(422)	–	(58)	(69)	–	(35)	(403)
	5,594	2,228	6,706	1,483	465	1,504	3,113

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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

31 December 2022

Statement of financial position

Non-current assets

Property, plant and equipment
Intangible assets
Equity-accounted investees
Other receivables
Right-of-use assets
Prepayment and other assets

	Piililia HANGIN US\$'000	Piililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000
	71,748	–	113,299	25,441	9,863	21,629
	646	–	–	–	–	–
	–	17,600	–	–	–	329
	2,313	56	264	3,432	149	31
	558	–	5,652	596	122	988
	32	–	79	–	–	–
	75,297	17,656	119,294	29,469	10,134	22,977
	15,988	–	17,291	4,950	2,853	3,800
	120	–	530	12	36	152
	17,984	36	13,562	910	787	1,146
	34,092	36	31,383	5,872	3,676	5,098
	109,389	17,692	150,677	35,341	13,810	28,075

Current assets

Trade and other receivables
Prepayment and other assets
Cash and bank balances

Total assets

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Notes to the Interim Condensed Combined Financial Statements
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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

30 June 2022

Statement of comprehensive income

Sale of energy, representing total revenue

Operating costs

Shared services costs charged by a subsidiary

Depreciation expenses

Results from operating activities

Finance income

Finance costs

Net foreign exchange gain/(loss)

Net finance (costs)/income

Gain on disposal of equity-accounted investee

Share of results of associate

Profit before tax

Income tax expense

Profit for the period, representing total comprehensive income

	Piliia HANGIN US\$'000	Piliia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000
	10,613	-	11,655	3,500	1,329	3,236
	(2,053)	(2)	(2,128)	(501)	(324)	(538)
	(545)	-	(264)	(64)	(28)	(51)
	(2,167)	-	(3,513)	(881)	(327)	(731)
	5,848	(2)	5,750	2,054	650	1,916
	65	-	91	19	8	34
	(1,944)	-	(3,911)	(575)	(245)	(401)
	-	1	60	126	2	(273)
	(1,879)	1	(3,760)	(430)	(235)	(640)
	-	-	-	-	-	6,212
	-	1,577	-	-	-	293
	3,969	1,576	1,990	1,624	415	7,781
	(14)	-	-	-	-	(1,739)
	3,955	1,576	1,990	1,624	415	6,042

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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000	Garcia 2 NSEC US\$'000	Immaterial associates US\$'000	Total associates US\$'000
30 June 2023	53,532	39,021	189,128	33,121	10,118	53,806	10,851	52,683	442,260
Carrying amount of interests in associates at beginning of the period	(1,272)	(926)	(3,851)	(689)	(145)	(1,374)	–	–	(8,257)
Combined Group's share of amortisation of intangible asset acquired through business combinations	3,088	2,228	6,672	1,480	464	1,505	1,555	(1,148)	15,844
Combined Group's share of results from continuing operations, net of tax	(274)	(199)	(947)	(153)	(35)	(326)	–	–	(1,934)
Effect of exchange rate changes from project-related agreements and licences	(160)	(117)	(408)	(155)	(45)	(155)	(24)	(79)	(1,143)
Foreign currency translation differences	1,382	986	1,466	483	239	(350)	1,531	(1,227)	4,510
Combined Group's share of total comprehensive income	–	–	–	–	–	–	–	12,534	12,534
Combined Group's contribution during the period	–	–	(7,652)	(1,144)	(346)	(1,362)	–	–	(10,504)
Distribution during the period									
Carrying amount of interests in associates at end of the period¹	54,914	40,007	182,942	32,460	10,011	52,094	12,382	63,990	448,800

¹ Included in the carrying amount of interests in associates at end of period is project related agreements and licences amounting to US\$205.2 million.

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18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

31 December 2022	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000	Immaterial associates US\$'000	Total associates US\$'000
Carrying amount of interests in associates at beginning of the year	58,452	42,604	202,178	38,354	11,206	62,663	14,695	430,152
Combined Group's share of amortisation of intangible asset acquired through business combinations	(2,576)	(1,874)	(8,036)	(1,395)	(294)	(2,782)	–	(16,957)
Combined Group's share of results from continuing operations, net of tax	2,198	1,596	4,786	2,474	744	6,894	(1,752)	16,940
Effect of exchange rate changes from project-related agreements and licences	(3,230)	(2,350)	(11,053)	(1,795)	(405)	(3,804)	–	(22,637)
Foreign currency translation differences	(1,312)	(955)	2,687	(1,621)	(458)	(1,364)	251	(2,772)
Combined Group's share of total comprehensive income	(4,920)	(3,583)	(11,616)	(2,337)	(413)	(1,056)	(1,501)	(25,426)
Combined Group's contribution during the year	–	–	–	–	–	–	45,656	45,656
Combined Group's acquisition during the year ¹	–	–	–	–	–	–	4,916	4,916
Distribution during the year	–	–	(1,434)	(2,896)	(675)	(7,801)	(232)	(13,038)
Carrying amount of interests in associates at end of the year²	53,532	39,021	189,128	33,121	10,118	53,806	63,534	442,260

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18. Equity-accounted investees (cont'd)***Interests in associates (cont'd)***

¹ In January 2022, the Combined Group entered into a sale and purchase agreement to acquire 100% of Taeon Wind Power Co., Ltd. ("Taeon") in stages. The total purchase consideration ranges from KRW50 billion to KRW140 billion and is contingent on the final tariff rate granted in the power purchase agreement and construction cost stated in the EPC contract that have yet to be finalised. As at 31 December 2022, the Combined Group had acquired 45% of Taeon for KRW 4.3 billion (US\$3.5 million) and paid an advanced partial consideration of KRW 1.8 billion (US\$1.4 million) in respect of the acquisition of second tranche of 45% share in Taeon in accordance with the terms of the sale and purchase agreement. The transaction had yet to be completed as at year end and based on the Combined Group's provisional assessment, the consideration paid was classified as an investment in associate.

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

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19. Loans receivables

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Non-current		
Loan receivables from:		
- Equity-accounted investees	15,368	10,639
- Other third parties	3,004	3,057
Promissory note receivables	7,642	7,571
	<u>26,014</u>	<u>21,267</u>
Less: Impairment loss on loans receivables	(343)	(343)
	<u>25,671</u>	<u>20,924</u>
Current		
Interest receivables from:		
- Equity-accounted investees	450	255
- Promissory note	607	564
- Cross currency swaps	5,063	5,060
- Other third parties	2,018	1,252
	<u>8,138</u>	<u>7,131</u>
Less: Impairment loss on loans receivables	(75)	(75)
	<u>8,063</u>	<u>7,056</u>
	<u>33,734</u>	<u>27,980</u>

Terms and conditions of loan receivables are as follows:

	Currency	Maturity date	Principal amount		Interest rate	
			2023	2022	2023	2022
			US\$'000	US\$'000	%	%
Equity-accounted investees ^(a)	KRW	2027-2028	15,136	10,390	3.5-5.0	3.5-3.7
Equity-accounted investees of related parties	JPY	2035	232	249	1.0	1.0
Other third parties ^(b)	JPY	On demand	640	693	0.8	0.8
Other third parties ^(b)	USD	On demand	1,880	1,880	4.6	4.6
Other third parties ^(b)	USD	On demand	450	450	5.5	5.5
Other third parties ^(b)	KRW	On demand	34	34	4.6	4.6
Promissory notes receivable ^(c)	THB	2027	7,642	7,571	-	-
			<u>26,014</u>	<u>21,267</u>		

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For the six months ended 30 June 2023

19. Loans receivables (cont'd)

- (a) Loan receivable from equity-accounted investees are unsecured and repayable from 2027 to 2028.
- (b) The Combined Group does not intend to demand repayment of these unsecured loans in the next 12 months.
- (c) Promissory notes receivable are zero coupon, non-transferable and redeemable, with maturity date on 3 August 2027. At redemption date, the Combined Group is entitled to receive a redemption amount equal to the principal amount plus accrued redemption fee of 1.0% per annum.

20. Restricted cash
Cash and bank balances

	Note	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current			
Restricted bank balances		45,708	31,360
Current			
Bank balances		517,526	407,148
Short term deposits		48,995	27,918
Fixed deposits	(a)	827	4,471
Less: Impairment loss		(50)	(53)
		567,298	439,484
Total cash and bank balances in the Statement of Financial Position			
Restricted bank balances and deposits	(b)	613,006	470,844
Add: Impairment loss		(164,071)	(173,279)
		50	53
Cash and cash equivalents in the Combined Statement of Cash Flows			
		448,985	297,618

- (a) Fixed deposits are made for varying periods of between three to twelve months, depending on the immediate cash requirements of the Combined Group, and earn interest at the respective fixed deposit rates.
- (b) As at 30 June 2023, US\$164.1 million (2022: US\$173.3 million) of the Combined Group's cash and bank balances were restricted. Out of this, US\$111.1 million (2022: US\$86.7 million) of the Combined Group's cash and bank balances were held under Debt Service Reserve Accounts ("DSRA") which represents a reserve account used for debt service of project finance debts.

As at the reporting date, cash and bank balances of US\$344.4 million (2022: US\$184.0 million) were pledged as collateral to secure project finance debts.

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21. Derivative assets and liabilities

	30 June 2022	31 December 2022
	US\$'000	US\$'000
Derivative assets		
Non-current		
Electricity derivatives	50,415	47,558
Cross currency swaps	98,558	61,194
Interest rate swaps	18,257	32,639
	<hr/> 167,230	<hr/> 141,391
Current		
Electricity derivatives	3,046	2,584
Cross currency swaps	285	344
Interest rate swaps	3,133	2,115
Forward exchange contract	1,842	1,579
	<hr/> 8,306	<hr/> 6,622
Total derivative assets	<hr/> <hr/> 175,536	<hr/> <hr/> 148,013
Derivative liabilities		
Non-current		
Electricity derivatives	(17,722)	(39,262)
Interest rate swaps	(7,864)	(183)
	<hr/> (25,586)	<hr/> (39,445)
Current		
Electricity derivatives	(1,211)	(1,843)
Forward exchange contract	(1,448)	(4,951)
Interest rate swaps	-	(74)
	<hr/> (2,659)	<hr/> (6,868)
Total derivative liabilities	<hr/> <hr/> (28,245)	<hr/> <hr/> (46,313)

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21. Derivative assets and liabilities (cont'd)

Cross currency swaps

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

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

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

Electricity derivatives

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

Hedge accounting

Net investment hedge

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

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

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

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

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21. Derivative assets and liabilities (cont'd)

Net investment hedge (cont'd)

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

		30 June 2023		During the six months ended 30 June 2023					
		Line item in the statement of financial position where the hedging instrument is included		Change in value used for calculating hedge ineffectiveness US\$'000	Change in value of hedging instrument recognised in OCI US\$'000	Hedge ineffectiveness recognised in profit or loss US\$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss US\$'000	Line item affected in profit or loss because of the reclassification
Nominal amount US\$'000	500,000	Carrying amount – assets US\$'000	89,541	–	Derivative assets	–	–	–	Not applicable
Cross currency interest rate swaps	500,000	Carrying amount – liabilities US\$'000	–	37,881	31,887	5,994	Change in fair value of financial instrument at FVTPL	–	–

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

		30 June 2023
Change in value used for calculating hedge ineffectiveness US\$'000		107,897
Foreign currency translation reserve US\$'000		107,897
JPY net investment	(31,887)	107,897

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21. Derivative assets and liabilities (cont'd)

Net investment hedges (cont'd)

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

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

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

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

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21. Derivative assets and liabilities (cont'd)

Cash flow hedges

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

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

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

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

Hedge ineffectiveness may occur due to:

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

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

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21. Derivative assets and liabilities (cont'd)

Cash flow hedges (cont'd)

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

		During the six months ended 30 June 2023							
		30 June 2023	Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness US\$'000	Change in value of hedging instrument recognised in OCI US\$'000	Hedge ineffectiveness recognised in profit or loss US\$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss US\$'000	Line item affected in profit or loss because of the reclassification
Commodity price risk									
Electricity derivatives	241,624	52,944	Derivative assets	2,156	(4,636)	6,792	Change in fair value of financial instruments at FVTPL	5,630	Sale of energy
Electricity derivatives	271,829	517	Derivative assets/(liabilities)	23,218	20,440	2,778		-	Not applicable

As of 30 June 2023, the hedge rates range from AUD40/MWh to AUD128/MWh with a maturity date in 2038 to 2041.

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

		30 June 2023
Change in value used for calculating hedge ineffectiveness US\$'000	Cash flow hedge reserve US\$'000	
(15,804)	(75,674)	

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21. Derivative assets and liabilities (cont'd)

Cash flow hedges (cont'd)

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

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

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

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21. Derivative assets and liabilities (cont'd)

Cash flow hedges (cont'd)

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

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

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

22. Prepayments and other assets

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Non-current		
Other prepayments	4,233	4,727
Other assets	19,652	15,804
	23,885	20,531
Current		
Other prepayments	13,389	17,155
Other assets	9,267	4,730
	22,656	21,885
Total prepayments and other assets	46,541	42,416

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23. Trade and other receivables

	Note	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current			
Other receivables	(b)	–	1,521
Deposits		–	3,098
Tax receivables	(a)	32,912	39,416
		<hr/>	<hr/>
Total non-current other receivables		32,912	44,035
Current			
Trade receivables		87,438	63,380
Contract assets		65,232	88,693
		<hr/>	<hr/>
Total current trade receivables and contract assets		152,670	152,073
Non-trade amount due from:			
- Equity-accounted investees		593	17
- Other third parties		9,309	11,716
Deposits		170,221	35,685
Tax receivables	(a)	24,416	42,238
Other receivables	(b)	24	12
		<hr/>	<hr/>
Total current other receivables		204,563	89,668
Less: Impairment loss			
- Trade receivables and contract assets		(5,045)	(4,921)
- Other receivables		(655)	(825)
		<hr/>	<hr/>
Total current trade and other receivables		351,533	235,995
		<hr/>	<hr/>
Total trade and other receivables		384,445	280,030

Trade receivables are non-interest bearing and are generally on standard credit terms ranging from 15 to 90 days (2021: 15 to 90 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

- (a) Non-current other tax receivables of US\$32.9 million (2022: US\$39.4 million) relate to value-added tax receivables which will be refunded upon completion of construction of the projects while current other tax receivables relate to value-added tax receivables that are expected to be refunded within the next one year.
- (b) Other receivables relate to liquidated damages receivable from EPC contractors in Indonesia.

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24. Loans and borrowings and lease liabilities

	Note	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current			
Loans and borrowings:			
- Project finance debts	(b)	2,385,557	1,956,455
- Revolving credit facility		48,070	13,808
- Euro Medium Term Note	(a)	499,667	499,435
- External party loan		1,430	–
		2,934,724	2,469,698
Lease liabilities		344,405	344,581
Current			
Loans and borrowings:			
- Project finance debts	(b)	250,615	261,276
- External party loan		2,480	2,480
- Working capital loan		–	6,015
Interest payable			
- Project finance debts		796	1,170
- Euro Medium Term Note		5,025	5,067
- Derivatives		1,640	1,816
- External party loan		16	–
		260,572	277,824
Lease liabilities		12,738	13,376
Total loans and borrowings and lease liabilities		3,552,439	3,105,479

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

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

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

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

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

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

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

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

Gross debt

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Non-current		
Project finance debts	2,421,475	1,990,712
Euro Medium Term Note	500,000	500,000
Revolving credit facility	48,913	15,111
External party loan	1,430	-
	<hr/> 2,971,818	<hr/> 2,505,823
Current		
Project finance debts	255,407	266,409
External party loan	2,480	2,480
Working capital loan	-	6,015
	<hr/> 257,887	<hr/> 274,904
	<hr/> 3,229,705	<hr/> 2,780,727

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

Terms and conditions of loans and borrowings are as follows:

	Currency	Year of maturity	Principal amount		Nominal interest rate	
			2023 US\$'000	2022 US\$'000	2023 %	2022 %
Project finance debt	AUD	2023-2044	100,421	102,040	BBSY+1.7	BBSY+1.7
Project finance debt	AUD	2025	55,559	56,457	BBSY+1.2	BBSY+1.2
					BBSY+1.4 -	BBSY+1.4 -
Project finance debt	AUD	2027	118,967	117,452	2.3	2.3
Project finance debt	INR	2035	83,533	80,360	9.2	10.3 - 10.5
Project finance debt	INR	2033	15,624	15,590	8.9	8.9
Project finance debt	INR	2033	14,350	15,941	9.1	9.5
Project finance debt	INR	2028	8,429	9,135	10.0	10.0
Project finance debt	INR	2033	53,098	54,504	8.7	8.4
Project finance debt	INR	2037	48,478	49,656	9.3 - 0.2	9.3
Project finance debt	INR	2035	19,864	20,978	8.2	8.2
Project finance debt	INR	2033	66,401	66,433	8.6	8.6
Project finance debt	INR	2025	70,686	71,691	7.4 - 8.2	7.4
Project finance debt	INR	2027	70,718	1,843	7.3 - 7.7	11.7
					4.2 and	4.2 and
Project finance debt	THB	2027	32,928	43,386	MLR-2.8	MLR-2.8
Project finance debt	USD	2037	91,311	94,004	3.9 - 5.7	3.9 - 5.7
Project finance debt	USD	2037	15,902	16,562	3 - 5.7	3.0 - 5.7
Project finance debt	USD	2037	14,563	15,168	1.5 - 5.7	1.5 - 5.7
					TAIBOR+	TAIBOR+
Project finance debt	NTD	2033 to 2040	369,655	335,605	1.5 to 1.7	1.5 to 1.7
					3M TIBOR	3M TIBOR+
Project finance debt	JPY	2034 to 2040	1,058,426	651,020	+ 0.3 to 0.8	0.5 to 0.8
					TONAR	TONAR
Project finance debt	JPY	2023 to 2027	217,313	161,232	+0.8 to 0.9	+0.8 to 0.9
					6M TIBOR+	6M TIBOR+
Project finance debt	JPY	2024 to 2040	87,890	208,022	0.5 to 1.1	0.8 to 1.0
Project finance debt	JPY	2038	62,766	70,042	1.9	1.9
External party loan	USD	2023	2,480	2,480	Interest free	Interest free
External party loan	KRW	2027-2028	1,430	-	5.9	-
Revolving credit facility	JPY	2024	48,913	15,111	TONAR+	TONAR+
					1.0	1.0
Euro Medium Term Note	USD	2025	500,000	500,000	3.1	3.1
Working capital loan	INR	2023	-	6,015	-	13.0
			3,229,705	2,780,727		

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

Debt covenant

The project finance debts contain debt covenants which are tested on a regular basis. A future breach of these covenants may require the Combined Group to repay the project finance debts earlier than indicated in the table above. Except as disclosed below, the Combined Group has not breached any debt covenants as at 30 June 2023 and 31 December 2022 respectively.

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

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

Zenith Japan Holdings Trust and its subsidiaries have not breached any debt covenants as at 30 June 2023 and 31 December 2022.

As at 30 June 2023, project finance debts amounting to US\$2,676.9 million (31 December 2022: US\$2,257.1 million) have been taken up by the subsidiaries of the Combined Group where these debt obligations have no recourse to the Combined Group.

Leverage ratio

Pursuant to the amendment and restatement agreement dated 21 May 2021 relating to the existing facilities agreement between VEHL, VETHL, ZJHT and Credit Agricole Corporate and Investment Bank acting as agent and issuing bank (the "RCF Facility Agreement"), the Combined Group has complied with all covenants relating to the Revolving Credit Facility as at 30 June 2023 and 31 December 2022.

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

Pledges for facility agreements

The Combined Group has entered into several facility agreements with various financial institutions. Under these agreements, these financial institutions provide project financing debts of US\$2,676.9 million (2022: US\$2,257.1 million) to the Combined Group on a combination of fixed and floating rates.

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

The Combined Group's assets directly pledged in relation to the facility agreements are as disclosed in Notes 15, 17 and 20 of the financial statements. The indirect pledge over the Combined Group's consolidated net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Project entities' contribution to the net assets of the Combined Group	1,201,982	965,089

Stand-by letter of credit

As at 30 June 2023, the Combined Group has obtained the following stand-by letter of credit ("SBLC"):

- US\$58.6 million (2022: US\$153.1 million) which expires over the period from July 2023 to June 2024 (2022: January 2023 to December 2023). The SBLC bears an interest of 0.8% to 1.0% (2022: 0.8% to 1.0%) per annum.
- US\$1.9 million (2022: US\$1.9 million) with no maturity. The SBLC bears an interest of 0.8% (2022: 0.8%) per annum.

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25. Trade and other payables

	Note	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current			
Deferred income	(a)	5,301	6,180
Current			
Trade payables		35,620	28,651
Payables to EPC contractors		7,946	58,039
Accrued operating expenses		46,381	54,399
Accrued staff costs		2,013	1,986
Deferred income	(b)	1,998	1,251
Other tax payable		14,603	13,609
Non-trade amounts due to:			
- Equity-accounted investees		627	9
- Other third parties		13,157	9,254
		122,345	167,198

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

- (a) Non-current deferred income relates to advanced mobilisation payments received from non-related parties, amortised over period with regards to operations and maintenance agreements.
- (b) Included in current deferred income is US\$0.2 million (2022: US\$0.4 million) government grants on project, amortised over power purchase agreement period of 25 years and US\$0.1 million (2022: US\$0.1 million) which relates to government grants on bond issuance, amortised over bond life of 5 years.

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26. Fair value of financial instruments

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Combined Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

Accounting classification and fair value

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

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

	Note	Carrying amount					Fair value								
		FVOCI –		Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total					
		Mandatorily at FVTPL	equity instruments								US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
30 June 2023															
Trade and other receivables*	23	–	–	327,117	–	327,117	–	–	–	–	–	–	–	–	–
Restricted cash	20	–	–	45,708	–	45,708	–	–	–	–	–	–	–	–	–
Cash and bank balances	20	–	–	567,298	–	567,298	–	–	–	–	–	–	–	–	–
Other investments		–	112	–	–	112	–	–	–	–	–	–	–	112	112
Derivative assets	21	175,536	–	–	–	175,536	–	122,075	53,461	–	–	–	–	175,536	175,536
Loans receivables	19	–	–	33,734	–	33,734	–	34,153	–	–	–	–	–	34,153	34,153
		175,536	112	973,857	–	1,149,505	–	–	–	–	–	–	–	–	–
Derivative liabilities	21	(28,245)	–	–	–	(28,245)	–	(9,312)	(18,933)	–	–	–	–	(28,245)	(28,245)
Loans and borrowings	24	–	–	–	(3,195,296)	(3,195,296)	–	(3,237,183)	–	–	–	–	–	(3,237,183)	(3,237,183)
Trade and other payables*	25	–	–	–	(105,744)	(105,744)	–	–	–	–	–	–	–	–	–
		(28,245)	–	–	(3,301,040)	(3,329,285)	–	–	–	–	–	–	–	–	–

* Excludes non-financial assets and liabilities

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

Accounting classification and fair value (cont'd)

	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'00	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
31 December 2022									
Trade and other receivables*	23	-	198,376	-	198,376	-	-	-	-
Cash and bank balances	20	-	439,484	-	439,484	-	-	-	-
Restricted cash	20	-	31,360	-	31,360	-	-	-	-
Other investments	21	2,559	-	-	2,559	-	-	2,559	2,559
Derivative assets	21	148,013	-	-	148,013	-	97,871	50,142	148,013
Loan receivables	19	-	27,980	-	27,980	-	28,398	-	28,398
		150,572	697,200	-	847,772	-	-	-	-
Derivative liabilities	21	(46,313)	-	-	(46,313)	-	(5,208)	(41,105)	(46,313)
Loans and borrowings	24	-	-	(2,747,522)	(2,747,522)	-	(2,788,782)	-	(2,788,782)
Trade and other payables*	25	-	-	(152,338)	(152,338)	-	-	-	(152,338)
		(46,313)	-	(2,899,860)	(2,946,173)	-	-	-	-

* Excludes non-financial assets and liabilities

Vena Energy Holdings Ltd and its Subsidiaries
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Notes to the interim condensed combined financial statements
For the six months ended 30 June 2023

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

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other investments: Equity investments – at FVTPL	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Discount rate	The estimated fair value would increase (decrease) if the discount rates was lower (higher).
Electricity derivatives	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the expectation of spot rates for the duration of the contract.	Electricity spot rates Discount rate	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • The electricity spot rate was lower (higher); • The discount rate was lower (higher).
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.

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

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments measured at fair value (cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward rates at the reporting date and present value calculations based on yield curves in respective currencies.	Not applicable.	Not applicable.
Cross currency swaps	<i>Swap models:</i> Cross currency swaps are measured using quoted forward exchange rates and yield curves from quoted interest rates of the respective currencies, matching maturities of the swaps.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

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

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

Level 3 fair values

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

	30 June 2023			31 December 2022	
	Equity investments – at FVTPL US\$'000	Equity investments – at FVOCI US\$'000	Electricity derivatives US\$'000	Equity investments – at FVTPL US\$'000	Electricity derivatives US\$'000
At 1 January	2,559	–	9,037	1,851	146,520
Reclassification ¹	(2,559)	2,559	–	–	–
Disposal	–	(2,060)	–	–	–
Total unrealised gains and losses recognised in profit or loss	–	–	–	1,097	–
Ineffective portion of changes in fair value of cash flow hedge recognised in profit or loss	–	–	9,570	–	(37,383)
Effective portion of changes in fair value of cash flow hedge recognised in OCI, net	–	–	15,804	–	(91,478)
Foreign currency translation recognised in OCI	–	(387)	117	(389)	(8,622)
Ending balance	–	112	34,528	2,559	9,037

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

27. Reserves

The reserves of the Combined Group comprise the following balances:

	30 June 2023 US\$'000	31 December 2022 US\$'000
Capital reserve	50,000	50,000
Translation reserve	(451,143)	(390,702)
Cash flow hedge reserve	(75,674)	(91,478)
Legal reserve	2,035	691
Defined benefit reserve	147	142
	(474,635)	(431,347)

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27. Reserves (cont'd)

Capital reserve

The capital reserves comprise equity injections by shareholders for which ordinary shares have yet to be issued.

Translation reserve

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

Cash flow hedge reserve

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

	Commodity price risk	
	31	
	30 June	December
	2023	2022
	US\$'000	US\$'000
Beginning balance	(91,478)	–
Effective portion of changes in fair value of hedging instrument	10,174	(94,819)
Amount reclassified from hedging reserve to profit or loss	5,630	3,341
Ending balance	(75,674)	(91,478)

Legal reserve

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

Defined benefit reserve

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

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Notes to the interim condensed combined financial statements
For the six months ended 30 June 2023

28. Commitments

Construction agreements

The commitments for acquisition of property, plant and equipment as at 30 June 2023 and 31 December 2022 are as follows:

<u>Type of contracts</u>	30 June 2023 US\$'000	31 December 2022 US\$'000
Supply contract	62,360	45,554
Construction of power plant	507,084	299,695
At end of period/year	569,444	345,249

Acquisitions

Project Yokji

On April 2020, the Combined Group entered into a share purchase agreement to acquire 100% of Yokji. As part of the purchase consideration, the Combined Group has committed to contingent payments upon achieving of the project milestones.

In May 2021, the Combined Group made the contingent payment amounting to KRW 2,200 million upon the execution of the grid connection agreement, and is recognised as part of the Combined Group's project-related agreements and licenses in Note 17 Intangible assets.

During the period, the Combined Group commits to pay the remaining contingent payment, amounting to KRW 5,000 million, upon the submission of final and effective notice of the commencement of construction work to the Governmental Authority in relation to the project.

Project Taeon

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

As at 31 October 2022, the Combined Group has acquired 45% of Taeon for KRW 4.3 billion (US\$3.5 million). As at 30 June 2023, the Combined Group paid an advanced partial consideration of KRW 1.8 billion (US\$1.4 million) in respect of the acquisition of second tranche of 45% share in Taeon in accordance with the terms of the sale and purchase agreement.

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Notes to the interim condensed combined financial statements
For the six months ended 30 June 2023

29. Related parties

During the six months ended 30 June 2023, other than those disclosed elsewhere in the interim condensed combined financial statements, there were no other significant transactions with related parties.

30. Contingent liabilities

Tax dispute

Certain subsidiaries of the Combined Group are involved in a tax dispute which arose in the ordinary course of business. An Assessing Officer ("AO") in the Indian tax office has made the following adjustments to the tax returns of the subsidiary:

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

These subsidiaries have filed an appeal with the higher authorities against the claim made by AO and the outcome is still pending as at 30 June 2023. Based on external tax and legal advice, management believes that the outcome will be favourable and the Combined Group is not liable to the potential tax exposures.

31. Acquisition of non-controlling interests

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

	31 December 2022
	US\$'000
Cash consideration paid	11,600
Carrying value of the additional interest	(5,388)
	<hr/>
Difference recognised in equity	6,212
	<hr/> <hr/>

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Notes to the interim condensed combined financial statements
For the six months ended 30 June 2023

32. Acquisition of subsidiaries

Business combination

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

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

Identifiable assets acquired and liabilities assumed

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

	Note	Fair value recognised on acquisition US\$'000
Assets		
Property, plant and equipment	15	162,215
Right-of-use assets	16	20,135
Intangible assets - Project-related agreements and licences	17	5,099
Derivative assets		5,577
Loans receivables		611
Prepayment and other assets		1,293
Trade and other receivables		168,892
Cash and bank balances		18,261
		382,083
Liabilities		
Loans and borrowings		(281,330)
Lease liabilities		(14,302)
Derivative liabilities		(5,833)
Asset retirement obligation		(8,202)
Trade and other payables		(4,280)
		(313,947)
Total identifiable net assets at fair value		68,136
Non-controlling interests		(38,651)
Fair value of previously held interests in the acquired entities		(2,060)
		Purchase consideration transferred 27,425
		Less: Cash in acquired entities (18,261)
Total net cash outflow on acquisition		9,164

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Notes to the interim condensed combined financial statements
For the six months ended 30 June 2023

33. Transfer of TK interests without a loss in control

In May 2023, the Combined Group transferred 49% of TK interests in GK Hayabusa and its subsidiaries, GK NRE-05 Investment and GK NRE-19 Investment (collectively known as “Project Hayabusa”) to external parties for a total cash purchase consideration of US\$31.1 million (JPY4.4 billion).

Following is the schedule of interests transferred:

	30 June 2023 US\$'000
Cash consideration paid	31,058
Non-controlling interests' share of net assets	(28,366)
	<hr/>
Difference recognised in equity	2,692
	<hr/>

34. Subsequent events

Share capital

In July 2023, the following transactions took place:

- (a) Vena Energy Holdings Ltd consolidated its 1,566,860,319 issued ordinary shares each with a par value of US\$0.01 at a ratio of 100:1, effectively reducing the number of issued shares to 15,668,603 each with a par value of US\$1.00; and
- (b) Vena Energy Holdings Ltd utilised US\$2,959.9 million from its share premium and US\$50.0 million from its capital reserve to issue new fully paid shares to its shareholder.

In August 2023, the following transactions took place:

- (a) Vena Energy (Taiwan) Holdings Ltd consolidated its 125,497,349 issued ordinary shares each with a par value of US\$0.01 at a ratio of 100:1, effectively reducing the number of issued shares to 1,254,973 each with a par value of US\$1.00; and
- (b) Vena Energy (Taiwan) Holdings Ltd utilised US\$124.2 million from its share premium to issue new fully paid shares to its shareholder.

Credit facilities agreement

In August 2023, Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust (collectively known as “Borrowers”) entered into a multicurrency unfunded green letter credit facilities agreement of an aggregate principal amount of US\$550,000,000 (the “Facilities Agreement”). The Borrowers jointly and severally act as guarantors to this Facilities Agreement.

35. Authorisation of interim condensed combined financial statements for issue

The interim financial statements for the period 1 January 2023 to 30 June 2023 were authorised for issue in accordance with a resolution of the directors passed on 31 August 2023.

Vena Energy Holdings Ltd and its Subsidiaries

Interim Condensed Financial Statements
For the six months ended 30 June 2023



Vena Energy Holdings Ltd and its Subsidiaries

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Vena Energy Holdings Ltd and its Subsidiaries

Statement by directors


Opinion of the directors

In our opinion:

- (a) the accompanying interim condensed financial statements comprising the condensed statements of financial position of Vena Energy Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2023, the condensed statements of profit or loss, comprehensive income, changes in equity and cash flows of the Group and the Company for the six-month period then ended, and notes to the interim condensed financial statements, including significant accounting policies, are prepared, in all material respects, in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised the interim condensed financial statements for issue.

On behalf of the board of directors,

DocuSigned by:

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Jason Baer
Director

31 August 2023

Vena Energy Holdings Ltd and its Subsidiaries

**Independent auditor's report
For the six months ended 30 June 2023**

**Member of the Company
Vena Energy Holdings Ltd**

Report on the review of the interim condensed financial statements

Introduction

We have reviewed the accompanying interim condensed financial statements of Vena Energy Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group"), which comprise the condensed statements of financial position of the Group and of the Company as at 30 June 2023, the condensed statements of profit or loss, comprehensive income, changes in equity and cash flows of the Group and the Company for the six-month period then ended, and significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of the interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the interim condensed financial statements based on our review.

Scope of review


We conducted our review in accordance with the Singapore Standards on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at and for the six months ended 30 June 2023 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Restriction on distribution and use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim condensed financial statements for the purpose of reporting to external counterparties for existing bonds issued and for no other purpose. Our report will be made available by you to the existing bond holders and the potential bond investors for their information only. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

31 August 2023

Vena Energy Holdings Ltd and its Subsidiaries

Interim condensed statements of profit or loss For the six months ended 30 June 2023

	Note	Group		Company	
		30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Dividend income		–	–	–	4,550
Sale of energy		91,928	89,700	–	–
Fee income		40,924	49,595	–	–
Total revenue	6	132,852	139,295	–	4,550
Other income	7	4,814	7,973	–	–
Operating costs	8(a)	(20,192)	(19,773)	–	–
Other cost of operations	8(b)	(1,419)	(2,167)	–	–
Shared services costs	9	(51,659)	(53,505)	(53)	(41)
Development costs	10	(591)	(487)	–	–
Depreciation expense	14,15	(22,971)	(16,924)	–	–
Amortisation expense	16	(13,472)	(13,811)	–	–
Results from operating activities		27,362	40,601	(53)	4,509
Finance income	11	11,391	8,528	804	927
Finance costs	11	(40,755)	(42,193)	(4,442)	(4,106)
Change in fair value of financial instruments at fair value through profit or loss (“FVTPL”)	12	47,778	52,881	2,166	1,269
Net foreign exchange (loss)/gain		(5,087)	(83,582)	32,293	28,023
Net finance income/(costs)		13,327	(64,366)	30,821	26,113
Writeback of other payables		507	1,185	–	–
Writeback of Impairment loss on financial assets		3	2	–	–
Gain on disposal of property, plant and equipment		12	3	–	–
Share of results of equity-accounted investees, net of tax	18	7,457	1,582	–	–
Profit/(loss) before tax	13	48,668	(20,993)	30,768	30,622
Tax credit/(expense)		1,299	76	(7)	–
Profit/(loss) for the period		49,967	(20,917)	30,761	30,622
Profit/(loss) attributable to:					
Owner of the Company		45,169	(25,214)		
Non-controlling interests		4,798	4,297		
		49,967	(20,917)		

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

Vena Energy Holdings Ltd and its Subsidiaries
**Interim condensed statements of comprehensive income
For the six months ended 30 June 2023**

	Group		Company	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Profit/(loss) for the period	49,967	(20,917)	30,761	30,622
Other comprehensive income ("OCI")				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit plan	5	229	–	–
Related tax	–	(18)	–	–
Fair value loss on equity investments	(13,077)	–	–	–
	(13,072)	211	–	–
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	374	(44,664)	–	–
Foreign currency translation differences of equity-accounted investees	(2,597)	(18,589)	–	–
Effective portion of changes in fair value of cash flow hedge, net	15,804	(47,730)	–	–
	13,581	(110,983)	–	–
Other comprehensive income for the period	509	(110,772)	–	–
Total comprehensive income for the period	50,476	(131,689)	30,761	30,622
Total comprehensive income attributable to:				
Owner of the Company	46,107	(133,726)		
Non-controlling interests	4,369	2,037		
	50,476	(131,689)		

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

Vena Energy Holdings Ltd and its Subsidiaries

**Interim condensed statements of financial position
As at 30 June 2023**

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	2,384,694	1,015,525	–	–
Right-of-use assets	15	231,758	76,779	–	–
Intangible assets	16	1,648,406	956,486	–	–
Investment in subsidiaries	17	–	–	3,494,965	2,135,151
Equity-accounted investees	18	396,706	388,454	–	–
Other investments	19	12,731	39,007	–	–
Deferred tax assets		21,141	14,836	–	–
Loans receivables	20	318,742	323,285	99,095	85,400
Derivative assets	21	160,764	119,426	–	–
Trade and other receivables	22	31,355	1,521	–	–
Prepayments and other assets	23	23,739	20,573	–	–
Restricted cash	24	44,373	31,360	–	–
		5,274,409	2,987,252	3,594,060	2,220,551
Current assets					
Loans receivables	20	11,918	10,244	8,781	12,867
Trade and other receivables	22	287,592	178,833	365	388
Prepayments and other assets	23	16,427	12,730	96	5
Derivative assets	21	8,307	6,621	1,842	1,579
Cash and bank balances	24	423,336	224,024	21,948	17,350
		747,580	432,452	33,032	32,189
Total assets		6,021,989	3,419,704	3,627,092	2,252,740
Equity					
Equity contribution	25	2,975,566	1,716,719	2,975,566	1,716,719
Accumulated (losses)/profits		(122,690)	6,889	83,056	52,295
Reserves	26	(313,296)	(192,173)	50,000	50,000
Equity attributable to owner of the Company		2,539,580	1,531,435	3,108,622	1,819,014
Non-controlling interests		192,924	82,235	–	–
Total equity		2,732,504	1,613,670	3,108,622	1,819,014

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

Vena Energy Holdings Ltd and its Subsidiaries**Interim condensed statements of financial position (cont'd)****As at 30 June 2023**

	Note	Group		Company	
		30 June 2022 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
LIABILITIES					
Non-current liabilities					
Loans and borrowings	27	2,718,491	1,378,220	501,876	404,936
Lease liabilities	27	217,530	67,992	–	–
Employee benefits		781	772	–	–
Derivative liabilities	21	25,302	39,445	–	–
Asset retirement obligation	29	60,618	10,831	–	–
Trade and other payables	28	6,246	9,141	–	–
Deferred tax liabilities		11,610	11,295	–	–
		3,040,578	1,517,696	501,876	404,936
Current liabilities					
Loans and borrowings	27	134,634	151,661	14,777	23,462
Lease liabilities	27	8,002	5,625	–	–
Derivative liabilities	21	2,659	6,868	1,448	4,951
Trade and other payables	28	101,749	121,467	369	377
Current tax liabilities		1,863	2,717	–	–
		248,907	288,338	16,594	28,790
Net current assets		498,673	144,114	16,438	3,399
Total liabilities		3,289,485	1,806,034	518,470	433,726
Total equity and liabilities		6,021,989	3,419,704	3,627,092	2,252,740

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

Vena Energy Holdings Ltd and its Subsidiaries

Interim condensed statements of changes in equity For the six months ended 30 June 2023

Group	Attributable to owner of the Company						Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Equity contribution US\$'000	Accumulated (losses)/ profits US\$'000	Translation reserve US\$'000	Cash flow hedge reserve US\$'000	Merger Reserve US\$'000	Other reserves US\$'000			
At 1 January 2023	1,716,719	6,889	(150,837)	(91,478)	–	50,142	1,531,435	82,235	1,613,670
Profit for the period	–	45,169	–	–	–	–	45,169	4,798	49,967
Other comprehensive income									
Foreign currency translation differences	–	–	803	–	–	–	803	(429)	374
Foreign currency translation differences of equity-accounted investees	–	–	(2,597)	–	–	–	(2,597)	–	(2,597)
Effective portion of changes in fair value of cash flow hedge, net	–	–	–	15,804	–	–	15,804	–	15,804
Fair value loss on equity investments	–	–	–	–	–	(13,077)	(13,077)	–	(13,077)
Defined benefit plan remeasurements	–	–	–	–	–	5	5	–	5
Total comprehensive income for the period	–	45,169	(1,794)	15,804	–	(13,072)	46,107	4,369	50,476
Issuance of ordinary shares	1,258,847	–	–	–	–	–	1,258,847	–	1,258,847
Transfer of TK interests (Note 17)	–	(53,774)	(291,500)	–	48,465	–	(296,809)	109,622	(187,187)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(3,302)	(3,302)
Total transactions with owner	1,258,847	(53,774)	(291,500)	–	48,465	–	962,038	106,320	1,068,358
Transfer upon remeasurement of equity investments	–	(13,077)	–	–	–	13,077	–	–	–
Reclassification of cash flow hedge arising from hedge accounting (Note 21)	–	(107,897)	107,897	–	–	–	–	–	–
At 30 June 2023	2,975,566	(122,690)	(336,234)	(75,674)	48,465	50,147	2,539,580	192,924	2,732,504

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

Vena Energy Holdings Ltd and its Subsidiaries

Interim condensed statements of changes in equity (cont'd) For the six months ended 30 June 2023

Group	Attributable to owner of the Company						Non-controlling interests US\$'000	Total equity US\$'000	
	Equity contribution US\$'000	Accumulated (losses)/ profits US\$'000	Translation reserve US\$'000	Cash flow hedge reserve US\$'000	Merger Reserve US\$'000	Other reserves US\$'000			Total US\$'000
At 1 January 2022	1,716,719	51,134	(44,907)	–	–	49,989	1,772,935	78,289	1,851,224
(Loss)/profit for the period	–	(25,214)	–	–	–	–	(25,214)	4,297	(20,917)
Other comprehensive income									
Foreign currency translation differences	–	–	(42,404)	–	–	–	(42,404)	(2,260)	(44,664)
Foreign currency translation differences of equity-accounted investees	–	–	(18,589)	–	–	–	(18,589)	–	(18,589)
Effective portion of changes in fair value of cash flow hedge, net	–	–	–	(47,730)	–	–	(47,730)	–	(47,730)
Defined benefit plan remeasurements	–	–	–	–	–	229	229	–	229
Tax on other comprehensive income	–	–	–	–	–	(18)	(18)	–	(18)
Total comprehensive income for the period	–	(25,214)	(60,993)	(47,730)	–	211	(133,726)	2,037	(131,689)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1,977)	(1,977)
At 30 June 2022	1,716,719	25,920	(105,900)	(47,730)	–	50,200	1,639,209	78,349	1,717,558

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

Vena Energy Holdings Ltd and its Subsidiaries**Interim condensed statements of changes in equity (cont'd)
For the six months ended 30 June 2023**

Company	Equity contribution US\$'000	Other reserves US\$'000	Accumulated profits US\$'000	Total US\$'000
At 1 January 2023	1,716,719	50,000	52,295	1,819,014
Issuance of ordinary shares	1,258,847	–	–	1,258,847
Total comprehensive income for the period				
Profit for the period	–	–	30,761	30,761
At 30 June 2023	2,975,566	50,000	83,056	3,108,622
At 1 January 2022	1,716,719	50,000	37,943	1,804,662
Total comprehensive income for the period				
Profit for the period	–	–	30,622	30,622
At 30 June 2022	1,716,719	50,000	68,565	1,835,284

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

Vena Energy Holdings Ltd and its Subsidiaries

Interim condensed statements of cash flows For the six months ended 30 June 2023

Group	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from operating activities			
Profit/(loss) before tax		48,668	(20,993)
Adjustments for:			
Depreciation expense	14,15	22,971	16,924
Amortisation expense	16	13,472	13,811
Finance income	11	(11,391)	(8,528)
Finance costs	11	40,755	42,193
Change in fair value of financial instruments at FVTPL	12	(47,778)	(52,881)
Unrealised foreign exchange loss		1,209	70,654
Gain on disposal of property, plant and equipment		(12)	(3)
Writeback of impairment loss on financial assets		(3)	(2)
Writeback of other payables		(507)	(1,185)
Share of results of equity-accounted investees, net of tax	18	(7,457)	(1,582)
		59,927	58,408
Changes in:			
- Trade and other receivables		56,990	(37,119)
- Prepayments and other assets		(1,294)	(13,225)
- Trade and other payables		(34,154)	11,613
		81,469	19,677
Cash generated from operating activities		81,469	19,677
Tax paid		(4,635)	(2,579)
		76,834	17,098
Net cash generated from operating activities			
Cash flows from investing activities			
Cash inflow on transfer of TK interests, net	17	169,870	-
Purchase of property, plant and equipment		(142,298)	(73,608)
Proceeds from disposal of property, plant and equipment		14	3
Acquisition of equity-accounted investees	18	(12,533)	(45,528)
Purchase of equity investments		(84)	(414)
Settlement of derivatives		(1,587)	1,384
Repayment of loans receivables from related parties		6,058	34,222
Disbursement of loans to related parties		(25,388)	(41,102)
Repayment of loans receivables from equity-accounted investees		-	4,533
Disbursement of loans to equity-accounted investees		(5,072)	(8,370)
Distributions from equity-accounted investees	18	9,142	2,912
Interest received		4,635	3,261
		2,757	(122,707)
Net cash generated from/(used in) investing activities			

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

Vena Energy Holdings Ltd and its Subsidiaries**Interim condensed statement of cash flows (cont'd)
For the six months ended 30 June 2023**

Group	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from financing activities			
Proceeds from drawdown of loans and borrowings			
- Revolving credit facility		113,702	55,648
- Project finance debts		74,252	142,117
- Working capital loans		–	10,806
- Intercompany loans		147,138	81,047
- External loan		1,392	–
Repayment of loans and borrowings			
- Revolving credit facility		(75,144)	(23,654)
- Project finance debts		(31,515)	(126,201)
- Working capital loans		(6,022)	(4,891)
- Intercompany loans		(49,717)	(21,204)
Payment of transaction costs			
- Project finance debt		(1,943)	(330)
- Revolving credit facility		–	(992)
Payment of lease liabilities			
		(3,882)	(2,770)
Interest paid			
- Revolving credit facility		(288)	(66)
- Project finance debts		(25,771)	(27,699)
- Working capital loans		(194)	(831)
- Euro Medium Term Note		(7,350)	(7,833)
- Lease liabilities		(725)	(736)
- Intercompany loans		–	(489)
Net interest received for derivatives			
		5,088	3,079
Dividends paid to non-controlling interests			
		(3,302)	(1,977)
Deposits pledged			
	24	(81,118)	(3,460)
Net cash generated from financing activities		54,601	69,564
Net increase/(decrease) in cash and cash equivalents		134,192	(36,045)
Cash and cash equivalents at beginning of period			
	24	197,124	168,726
Effect of exchange rate fluctuations on cash and cash equivalents			
		(2,984)	1,566
Cash and cash equivalents at end of period		328,332	134,247
	24	328,332	134,247

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

Vena Energy Holdings Ltd and its Subsidiaries**Interim condensed statements of cash flows (cont'd)
For the six months ended 30 June 2023**

Company	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from operating activities			
Profit before tax		30,768	30,622
Adjustments for:			
Finance income	11	(804)	(927)
Dividend income		–	(4,550)
Finance costs	11	4,442	4,106
Change in fair value of financial instruments at FVTPL	12	(2,166)	(1,269)
Unrealised foreign exchange gain		(32,115)	(33,392)
		125	(5,410)
Changes in:			
- Trade and other receivables		23	(73)
- Prepayments and other assets		(91)	–
- Trade and other payables		(189)	(6,070)
Cash used in operating activities		(132)	(11,553)
Tax paid		(7)	–
Net cash used in operating activities		(139)	(11,553)
Cash flows from investing activities			
Capital injection to subsidiaries		(113,806)	(169,574)
Distribution from subsidiaries:			
- Dividend received		–	4,550
- Return of capital	17	12,578	45,688
Proceeds from repayment of loans receivables from related parties		8,440	32,543
Proceeds from repayment of loans receivables from a subsidiary		10,000	–
Disbursement of loans to related parties		(29,629)	(41,102)
Disbursement of loans to an indirect subsidiary		(5,500)	–
Settlement of derivatives		(1,600)	1,384
Interest received		183	5
Net cash used in investing activities		(119,334)	(126,506)

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

Vena Energy Holdings Ltd and its Subsidiaries**Interim condensed statements of cash flows (cont'd)
For the six months ended 30 June 2023**

Company	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from financing activities			
Proceeds from drawdown of loan and borrowings:			
- Revolving credit facility		113,702	55,648
- Loan from a related party		147,138	81,047
Repayment of loan and borrowings:			
- Revolving credit facility		(75,144)	(23,654)
- Loan from Euro Medium Term Note Issuer		-	(1,394)
- Loan from a related party		(49,717)	(21,204)
- Loan from an indirect subsidiary		(10,000)	-
Payment of transaction costs related to loans and borrowings		(701)	(992)
Interest paid on:			
- Revolving credit facility		(288)	(66)
- Loan from a subsidiary		(47)	-
- Loan from Euro Medium Term Note Issuer		(1,204)	(2,634)
- Loan from a related party		-	(489)
Net cash generated from financing activities		123,739	86,262
Net (decrease)/increase in cash and cash equivalents		4,266	(51,797)
Cash and cash equivalents at beginning of period	24	17,350	93,168
Effect of exchange rate fluctuations on cash and cash equivalents		332	(1,541)
Cash and cash equivalents at end of period	24	21,948	39,830

Significant non-cash transactions

On 30 June 2023, part of the Tokumei Kumiai interest ("TK Interests") of certain special purpose vehicles ("GKs" or "TK Operators") were transferred to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of the Company for a total purchase consideration of US\$1,258.8 million. The payment for this transaction was to be fulfilled by APAC via the issuance of a Promissory Note to Zenith Japan Trust (the "transferor").

Through a series of subscriptions for shares, the benefits of the Promissory Note were assigned to the Company. Consequently, the shareholder of the Company subscribed to 125,884 number of ordinary shares at a par value of US\$0.01 each and share premium of US\$1,258.8 million were issued (Note 25).

The Company then subscribed to 1,258,847,427 number of shares at a par value of US\$1.00 each in APAC, with the consideration for the subscription being satisfied by the cancellation of the rights and obligators under the Promissory Note.

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

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

1. Domicile and activities

Vena Energy Holdings Ltd (the “Company”) is incorporated in the Cayman Islands and has its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The interim condensed financial statements of the Group as at and for the six months ended 30 June 2023 comprised the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

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

The immediate holding company and ultimate controlling company of the Group as at 30 June 2023 are GIP Zenith Ltd and Global Infrastructure Investors III, LLC respectively, of which the former is incorporated in the Cayman Islands and the latter is incorporated in Delaware, U.S.A.

2. Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2022.

2.1 Transfer of TK interests

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

The above transfers are accounted for by applying the “pooling-of-interest” method (see Note 4.1) as the parent of the TK Interests is defined under IFRS as a subsidiary of the shareholder of the Group.

3. Seasonality in operations

Seasonality in operations for the interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group’s operating results are impacted by external factors, such as resource availability. For example, the amount of electricity that solar plants produce is dependent on the irradiation of a given project location and wind plants are impacted by wind conditions which vary across seasons.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

4. Significant accounting policies

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these standards did not have any material impact on the interim condensed financial statements of the Group.

4.1 Additional significant accounting policies

(a) Business Combinations

Acquisition accounted for by applying the "pooling-of-interest" method

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

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

(b) Financial Instruments

Derivative financial instruments and hedge accounting

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

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

Vena Energy Holdings Ltd and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

4. Significant accounting policies (cont'd)**4.1 Additional significant accounting policies (cont'd)****(b) Financial Instruments (cont'd)**Derivative financial instruments and hedge accounting (cont'd)*Net investment hedges*

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

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

5. Use of judgements and estimates

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

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

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

- whether the counterparty of the PPA controls or regulates what services the Group entity must provide with the infrastructure, to whom it must provide them, and at what price; and
- whether the counterparty of the PPA controls — through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the PPA.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

5. Use of judgements and estimates (cont'd)

Measurement of fair values

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

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

Further information about the assumptions made in measuring fair values is included in Note 30 Fair value of financial instruments.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

6. Revenue

The Group's and Company's revenue comprises:

	Group		Company	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Sale of energy	91,928	89,700	–	–
Fee income:				
- Shared services fee income	9,970	8,515	–	–
- Operations and maintenance service fees income	6,514	5,316	–	–
- Asset management fee income	9,423	15,649	–	–
- Engineering, procurement and construction ("EPC") income	15,017	20,115	–	–
Dividend income	–	–	–	4,550
	132,852	139,295	–	4,550
Recognised:				
- Over time	132,852	139,295	–	–
- At a point in time	–	–	–	4,550
	132,852	139,295	–	4,550

Included in fee income are shared services fee income from related parties of US\$10.0 million (2022: US\$8.5 million), operations and maintenance service fees income from related parties of US\$5.6 million (2022: US\$4.1 million), asset management fee income from related parties of US\$9.1 million (2022: US\$15.2 million) and EPC income from related parties of US\$15.0 million (2022:US\$20.1 million).

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

6. Revenue (cont'd)

Disaggregation of revenue from contracts with customers

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

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
<u>Sale of energy</u>		
- Thailand	23,611	22,109
- India	44,525	49,314
- Australia	9,741	6,803
- Indonesia	14,051	11,474
	91,928	89,700
<u>Fee income</u>		
- Asset manager	40,924	49,595
	132,852	139,295

Contract balances

Please refer to Note 22 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy which have not been billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Please refer to Note 28 for contract liabilities primarily relating to advance consideration received from customers for performance of service contracts.

7. Other income

The Group's other income comprises:

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Insurance claims	130	257
Government grants	178	229
Lease income	307	677
Liquidated damages	3,310	3,177
Pre-commercial operation revenue	–	2,923
Others	889	710
	4,814	7,973

Vena Energy Holdings Ltd and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****8(a). Operating costs**

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Operations and maintenance costs	15,527	15,226
Utilities and transmission costs	1,130	1,362
Asset related insurance	1,274	1,363
Professional fees	1,416	1,231
Rental - land and site office	106	98
Asset related tax and levies	202	173
Travel and entertainment expenses	86	91
Other general and administrative costs	451	229
	20,192	19,773

Staff costs of US\$3.1 million (2022: US\$3.1 million) is included within operations and maintenance costs.

8(b). Other cost of operations

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Liquidated damages	1,419	1,914
Others	–	253
	1,419	2,167

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

9. Shared services costs

	Group		Company	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Staff costs	33,199	28,167	–	–
Directors and Investment Committee members fee	210	325	–	–
Occupancy costs	574	625	–	–
Professional fees	3,315	3,159	49	38
IT expenses	1,658	1,280	–	–
Insurance	397	331	–	–
Travel and entertainment expenses	1,676	1,014	–	–
EPC cost	10,673	18,001	–	–
Other general and administrative costs	2,869	2,157	4	3
	54,571	55,059	53	41
Less: Shared services costs capitalised	(2,912)	(1,554)	–	–
	51,659	53,505	53	41

10. Development costs

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Professional fees	334	321
Travel and entertainment expenses	–	45
Occupancy costs	16	41
Other general and administrative costs	241	80
	591	487

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

11. Finance income and finance costs

	Group		Company	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Finance income				
Interest income from:				
- Loan to related parties	1,745	2,482	610	923
- Loan to subsidiaries	–	–	58	–
- Loan to equity-accounted investees	191	101	–	–
- Loan to other third parties	291	459	–	–
- Cross currency swaps	5,289	4,506	–	–
- Interest rate swaps	553	–	–	–
- Short term deposits	2,981	639	136	–
Other finance income	341	341	–	4
Total finance income	11,391	8,528	804	927
Finance costs				
Interest expense on:				
- Project finance debts	(26,167)	(26,097)	–	–
- Term loan and revolving credit facility	(288)	(66)	(288)	(66)
- Loan from Euro Medium Term Note Issuer	–	–	(1,157)	(1,536)
- Euro Medium Term Note	(7,308)	(7,324)	–	–
- Interest rate swaps	–	(1,704)	–	–
- Loan from a related party	(1,400)	(775)	(1,400)	(775)
- Loan from subsidiaries	–	–	(101)	–
- Lease liabilities	(725)	(736)	–	–
Other finance costs	(4,867)	(5,491)	(1,496)	(1,729)
Total finance costs	(40,755)	(42,193)	(4,442)	(4,106)

Included in other finance costs are deferred financing costs of US\$1.5 million (2022: US\$1.2 million) and unwinding of discount of asset retirement obligation of US\$0.2 million (2022: US\$0.1 million).

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

12. Change in fair value of financial instruments at FVTPL

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Gain/(loss) on change in fair value:				
- Forward exchange contracts	2,179	1,269	2,166	1,269
- Interest rate swaps	(1,178)	17,591	–	–
- Cross currency interest rate swaps	37,207	59,603	–	–
Hedge ineffectiveness of electricity derivatives	9,570	(25,582)	–	–
	47,778	52,881	2,166	1,269

13. Profit/(loss) before tax

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

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Staff costs		
Wages and salaries	23,367	19,895
Ordinary bonus	5,823	4,616
Contributions to defined contribution plans	592	677
Employee insurance	1,599	1,422
Recruitment fee	386	482
Staff benefits, allowances and others	4,576	4,150
	36,343	31,242

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

14. Property, plant and equipment

Group	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Computers, fittings and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
Cost							
At 1 January 2022	49,813	20,911	818,024	374	5,535	115,062	1,009,719
Additions	12,015	212	912	62	1,198	233,041	247,440
Disposals	(124)	(14)	(438)	–	(14)	(35)	(625)
Reclassification	(146)	20	76,704	–	50	(76,628)	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	–	–	–	–	–	796	796
Effect of exchange rate changes	(6,288)	(1,395)	(70,990)	(47)	(241)	(24,759)	(103,720)
At 31 December 2022	55,270	19,734	824,212	389	6,528	247,477	1,153,610
Additions	1,308	40	169	2	557	146,297	148,373
Additions arising from transfer of TK interests (Note 17)	12,175	11	1,002,402	–	48	315,448	1,330,084
Disposals	–	–	(42)	(7)	(2)	–	(51)
Reclassification	–	20	25	–	–	(45)	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	–	–	–	–	–	322	322
Effect of exchange rate changes	(2,359)	(145)	7,439	(10)	(7)	(4,253)	665
At 30 June 2023	66,394	19,660	1,834,205	374	7,124	705,246	2,633,003

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Group	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Computers, fittings and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
Accumulated depreciation and impairment							
At 1 January 2022	–	4,274	108,245	191	3,724	–	116,434
Depreciation expense	–	1,300	33,570	67	1,165	–	36,102
Disposals	–	(14)	(70)	–	–	–	(84)
Impairment loss reversed	–	–	(286)	–	–	–	(286)
Effect of exchange rate changes	–	(436)	(13,438)	(29)	(178)	–	(14,081)
At 31 December 2022	–	5,124	128,021	229	4,711	–	138,085
Depreciation expense	–	673	18,341	32	496	–	19,542
Additions arising from transfer of TK interests (Note 17)	–	2	89,773	–	–	–	89,775
Disposals	–	–	(42)	(7)	–	–	(49)
Effect of exchange rate changes	–	(137)	1,104	(9)	(2)	–	956
At 30 June 2023	–	5,662	237,197	245	5,205	–	248,309
Carrying amounts							
At 31 December 2022	55,270	14,610	696,191	160	1,817	247,477	1,015,525
At 30 June 2023	66,394	13,998	1,597,008	129	1,919	705,246	2,384,694

As at the reporting date, property, plant and equipment of the Group with carrying amounts of US\$1,920.6 million (2022: US\$902.7 million) were pledged as collateral to secure project finance debts.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

15. Right-of-use assets

Group	Land and buildings US\$'000	Office lease US\$'000	Others US\$'000	Total US\$'000
Cost				
At 1 January 2022	36,181	20,410	3,007	59,598
Additions	42,084	1,679	727	44,490
Lease modifications	(4,580)	(105)	(568)	(5,253)
Effect of exchange rate changes	(2,578)	(2,355)	(413)	(5,346)
At 31 December 2022	71,107	19,629	2,753	93,489
Additions	4,635	264	2381	7,280
Additions arising from transfer of TK interests (Note 17)	168,997	–	–	168,997
Disposals	–	(629)	(547)	(1,176)
Effect of exchange rate changes	(740)	(765)	(285)	(1,790)
At 30 June 2023	243,999	18,499	4,302	266,800
Accumulated depreciation				
At 1 January 2022	2,833	7,628	1,425	11,886
Depreciation expense	1,836	3,223	711	5,770
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	796	–	–	796
Lease modifications	(191)	(73)	(382)	(646)
Effect of exchange rate changes	(303)	(563)	(230)	(1,096)
At 31 December 2022	4,971	10,215	1,524	16,710
Depreciation expense	845	1,553	1,031	3,429
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	311	11	–	322
Additions arising from transfer of TK interests (Note 17)	15,789	–	–	15,789
Disposals	–	(574)	(407)	(981)
Effect of exchange rate changes	90	(179)	(138)	(227)
At 30 June 2023	22,006	11,026	2,010	35,042
Carrying amounts				
At 31 December 2022	66,136	9,414	1,229	76,779
At 30 June 2023	221,993	7,473	2,292	231,758

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

16. Intangible assets

Group	Goodwill US\$'000	Project- related agreements and licences US\$'000	Service concession intangible assets US\$'000	Total US\$'000
Cost				
At 1 January 2022	490,773	458,723	173,679	1,123,175
Effect of exchange rate changes	(24,369)	(24,609)	–	(48,978)
At 31 December 2022	466,404	434,114	173,679	1,074,197
Additions arising from transfer of TK interests (Note 17)	158,661	621,980	–	780,641
Effect of exchange rate changes	(696)	683	–	(13)
At 30 June 2023	624,369	1,056,777	173,679	1,854,825
Accumulated depreciation and impairment losses				
At 1 January 2022	–	77,538	18,384	95,922
Amortisation expense	–	20,283	6,640	26,923
Effect of exchange rate changes	–	(5,134)	–	(5,134)
At 31 December 2022	–	92,687	25,024	117,711
Amortisation expense	–	10,152	3,320	13,472
Additions arising from transfer of TK interests (Note 17)	–	75,475	–	75,475
Effect of exchange rate changes	–	(239)	–	(239)
At 30 June 2023	–	178,075	28,344	206,419
Carrying amounts				
At 31 December 2022	466,404	341,427	148,655	956,486
At 30 June 2023	624,369	878,702	145,335	1,648,406

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

As at reporting date, all service concession intangible assets of the Group were pledged as collateral to secure project finance debts.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

17. Investment in subsidiaries

	Company	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Equity investment, at cost	3,494,965	2,135,151

The table below provides a reconciliation of the movement in investment in subsidiaries:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Balance at beginning of period/year	2,135,151	1,894,437
Reduction in capital	(12,578)	(92,574)
Capital injection into subsidiaries	1,372,392	333,288
Balance at end of period/year	3,494,965	2,135,151

Transfer of TK interests

On 30 June 2023, 95% of TK interest as mentioned in Note 2.1 were transferred to APAC. The transfer was accounted for by applying the pooling-of-interest method. Accordingly, the Group had accounted for the transfer prospectively from the date on which it occurred.

Identifiable assets acquired and liabilities assumed

The following table summarises the carrying amounts of recognised amounts of assets acquired and liabilities assumed at the date of transfer:

	30 June 2023
	US\$'000
Assets	
Property, plant and equipment	1,240,309
Right-of-use assets	153,208
Intangible assets	705,166
Derivative assets	3,304
Trade and other receivables	192,690
Prepayment and other assets	7,907
Cash and cash equivalents	169,870
	<u>2,472,454</u>

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

17. Investment in subsidiaries (cont'd)

Transfer of TK interests (cont'd)

Identifiable assets acquired and liabilities assumed (cont'd)

	30 June 2023 US\$'000
Liabilities	
Loans and borrowings	(1,163,482)
Lease liabilities	(151,867)
Derivative liabilities	(7,540)
Asset retirement obligation	(49,618)
Trade and other payables	(15,127)
	<hr/>
	(1,387,634)
	<hr/>
Total identifiable net assets at carrying value	1,084,820
Less: Non-controlling interest at carrying value	(109,622)
	<hr/>
Total identifiable net assets at carrying value attributable to owner of the Company	975,198
	<hr/>
Purchase consideration ¹	1,258,847
Add: Remeasurement of previously held interest in the equity investments (Note 30)	13,160
Less: Total identifiable net assets at carrying value attributable to owner of the Company	(975,198)
	<hr/>
	296,809
	<hr/> <hr/>
Presented as:	
Accumulated losses	(53,774)
Translation reserve	(291,500)
Merger reserve	48,465
	<hr/>
Equity attributable to owner of the Company	(296,809)
Non-controlling interests	109,622
	<hr/>
	(187,187)
	<hr/> <hr/>
Cash and cash equivalents of TK interests acquired, representing net cash inflows on transfer of TK interests	169,870
	<hr/> <hr/>

¹ The payment by APAC had been made by way of issuance of Promissory Note to Zenith Japan Trust (the "transferor").

Vena Energy Holdings Ltd and its Subsidiaries**Notes to the interim condensed consolidated financial statements
For the six months ended 30 June 2023**

18. Equity-accounted investees**Interests in associates**

	Group	
	30 June	31 December
	2023	2022
	US\$'000	US\$'000
Interests in associates	396,706	388,454

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The Group has 6 (2022: 5) material associates and 11 (2022: 12) immaterial associates which are equity accounted. The following are the material associates:

Associate entity name	Hangin Ng Amihan Holdings, Inc. and its subsidiaries ("HANGIN")	Vena Energy Wind Phil. Holdings Inc ("VEWPHI")	Helios Solar Energy Holdings Inc. and its subsidiaries ("HSEHI")	First Soleq Holdings Philippines Inc. ("FSHPI")	One Bukidnon Project Holdings Inc. ("OBPHI")	Nuevo Solar Energy Corp. ("NSEC")
Nature of Associate	Investment holdings entity for Alternergy Wind One Corporation ("Project Pililia")	Investment holdings entity for Alternergy Wind One Corporation ("Project Pililia")	Investment holdings entity for Helios Solar Energy Corp. ("Project Pollo")	Investment holding entity for First Soleq Energy Corp. ("Project Ironman")	Investment holding entity for Asian Green energy Corp. ("Project Zorro")	Operating entity for solar plant ("Project Garcia 2")
Sector	54.0 MW wind	54.0 MW wind	132.5 MW solar	30.4 MW solar	10.5 MW solar	83.3 MW solar
Principal place of business/ Country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Direct economic interest held in associate by the Group (%)	99.84%	100%	99.56%	99.31%	99.79%	–
Effective economic interest held on the underlying project (%)	54.94%	39.97%	99.65%	99.45%	99.83%	49.93%*
Direct Voting rights held in the associate by the Group (%)	38.51%	37.29%	37.73%	31.43%	36.38%	18.48%

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

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

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The following summarises the financial statements of the Group's material associates based on the financial statements prepared in accordance with IFRS:

30 June 2023

Statement of financial position

Non-current assets

Property, plant and equipment
Intangible assets
Equity-accounted investees
Other receivables
Right-of-use assets
Prepayments and other assets

	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia 2 NSEC US\$'000
	69,140	–	108,987	24,594	9,480	58,621
	640	–	–	–	–	–
	–	19,829	–	–	–	–
	2,447	56	476	3,454	162	6,000
	546	–	5,580	580	114	97
	32	–	78	–	–	–
	72,805	19,885	115,121	28,628	9,756	64,718
Current assets						
Trade and other receivables	15,178	–	19,285	5,490	2,973	919
Prepayments and other assets	525	–	541	82	19	115
Cash and bank balances	22,480	33	11,496	928	774	9,907
	38,183	33	31,322	6,500	3,766	10,941
Total assets	110,988	19,918	146,443	35,128	13,522	75,659

Vena Energy Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

30 June 2023

Statement of financial position (cont'd)

Non-current liabilities

Loans and borrowings	54,351	–	90,859	17,464	6,444	44,677
Employee benefits	34	–	58	–	–	–
Asset retirement obligation	2,456	–	824	225	45	97
Deferred tax liabilities	95	–	229	25	15	224

Current liabilities

Loans and borrowings	3,674	–	4,407	710	453	464
Trade and other payables	2,719	2	1,158	1,104	1,739	6,385
Current tax liabilities	–	–	–	5	–	141

Total liabilities

Net assets

	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia 2 NSEC US\$'000
	56,936	–	91,970	17,714	6,504	44,998
	6,393	2	5,565	1,819	2,192	6,990
	63,329	2	97,535	19,533	8,696	51,988
	47,659	19,916	48,908	15,595	4,826	23,671

Vena Energy Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

30 June 2023	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia 2 NSEC US\$'000
<u>Statement of comprehensive income</u>						
Sale of energy, representing total revenue	12,138	–	16,246	3,580	1,354	5,803
Operating costs	(2,028)	(2)	(2,170)	(550)	(356)	(450)
Shared services costs charged by a subsidiary	(546)	–	(569)	(130)	(46)	(106)
Depreciation expense	(2,057)	–	(3,315)	(843)	(310)	(547)
Results from operating activities	7,507	(2)	10,192	2,057	642	4,700
Finance income	274	–	225	20	20	111
Finance costs	(1,762)	–	(3,655)	(532)	(196)	(1,278)
Net foreign exchange (loss)/gain	(3)	–	2	7	(1)	(17)
Net finance costs	(1,491)	–	(3,428)	(505)	(177)	(1,184)
Share of results of associate	–	2,230	–	–	–	–
Profit before tax	6,016	2,228	6,764	1,552	465	3,516
Income tax expense	(422)	–	(58)	(69)	–	(403)
Profit for the period, representing total comprehensive income for the period	5,594	2,228	6,706	1,483	465	3,113

Vena Energy Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

31 December 2022

Statement of financial position

Non-current assets

Property, plant and equipment
Intangible assets
Equity-accounted investees
Other non-current receivables
Right-of-use assets
Prepayment and other assets

	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000
	71,748	–	113,299	25,441	9,863
	646	–	–	–	–
	–	17,600	–	–	–
	2,313	56	264	3,432	149
	558	–	5,652	596	122
	32	–	79	–	–
	75,297	17,656	119,294	29,469	10,134
	15,988	–	17,291	4,950	2,853
	120	–	530	12	36
	17,984	36	13,562	910	787
	34,092	36	31,383	5,872	3,676
Total assets	109,389	17,692	150,677	35,341	13,810

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements
For the six months ended 30 June 2023

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

31 December 2022

Statement of financial position (cont'd)

Non-current liabilities

Loans and borrowings
Employee benefits
Asset retirement obligation
Deferred tax liabilities

	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000
	57,212	–	94,130	17,670	6,741
	35	–	58	–	–
	2,414	–	822	216	66
	96	–	231	26	15
	59,757	–	95,241	17,912	6,822
Current liabilities					
Loans and borrowings	3,701	–	3,419	753	469
Trade and other payables	3,357	2	1,701	1,195	1,756
Current tax liabilities	8	–	–	26	–
	7,066	2	5,120	1,974	2,225
Total liabilities	66,823	2	100,361	19,886	9,047
Net assets	42,566	17,690	50,316	15,455	4,763

Vena Energy Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

30 June 2022

Statement of comprehensive income

Sale of energy, representing total revenue

Operating costs

Shared services costs charged by a subsidiary

Depreciation expense

Results from operating activities

Finance income

Finance costs

Net foreign exchange gain

Net finance (costs)/income

Share of results of associate

Profit before tax

Income tax expense

**Profit for the period, representing total comprehensive income
for the period**

	Pillia HANGIN US\$'000	Pillia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000
Sale of energy, representing total revenue	10,613	–	11,655	3,500	1,329
Operating costs	(2,053)	(2)	(2,128)	(501)	(324)
Shared services costs charged by a subsidiary	(545)	–	(264)	(64)	(28)
Depreciation expense	(2,167)	–	(3,513)	(881)	(327)
Results from operating activities	5,848	(2)	5,750	2,054	650
Finance income	65	–	91	19	8
Finance costs	(1,944)	–	(3,911)	(575)	(245)
Net foreign exchange gain	–	1	60	126	2
Net finance (costs)/income	(1,879)	1	(3,760)	(430)	(235)
Share of results of associate	–	1,577	–	–	–
Profit before tax	3,969	1,576	1,990	1,624	415
Income tax expense	(14)	–	–	–	–
Profit for the period, representing total comprehensive income for the period	3,955	1,576	1,990	1,624	415

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

30 June 2023	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia 2 NSEC US\$'000	Immaterial associates US\$'000	Total associates US\$'000
Carrying amount of interest in associates at beginning of period	53,532	39,021	189,128	33,121	10,118	10,851	52,684	388,455
Group's share of amortisation of intangible asset acquired through business combinations	(1,272)	(926)	(3,851)	(689)	(145)	–	–	(6,883)
Group's share of results from continuing operations, net of tax	3,088	2,228	6,672	1,480	464	1,555	(1,147)	14,340
Effect of exchange rate changes from project-related agreements and licenses	(274)	(199)	(947)	(153)	(35)	–	–	(1,608)
Foreign currency translation differences	(160)	(117)	(408)	(155)	(45)	(24)	(80)	(989)
Group's share of total comprehensive income	1,382	986	1,466	483	239	1,531	(1,227)	4,860
Group's contribution during the period	–	–	–	–	–	–	12,533	12,533
Distribution during the period	–	–	(7,652)	(1,144)	(346)	–	–	(9,142)
Carrying amount of interest in associates at end of the period¹	54,914	40,007	182,942	32,460	10,011	12,382	63,990	396,706

¹ Included in the carrying amount of interests in associates at end of period is project related agreements and licenses amounting to US\$170.6 million.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

18. Equity-accounted investees (cont'd)

Interests in associates (cont'd)

31 December 2022	Pillia HANGIN US\$'000	Pillia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Immaterial associates US\$'000	Total associates US\$'000
Carrying amount of interests in associates at start of the year	58,452	42,604	202,178	38,354	11,206	14,694	367,488
Group's share of amortisation of intangible asset acquired through business combinations	(2,576)	(1,874)	(8,036)	(1,395)	(294)	–	(14,175)
Group's share of results from continuing operations	2,198	1,596	4,786	2,474	744	(1,752)	10,046
Effect of exchange rate changes from project-related agreements and licences	(3,230)	(2,350)	(11,053)	(1,795)	(405)	–	(18,833)
Foreign currency translation differences	(1,312)	(955)	2,687	(1,621)	(458)	252	(1,407)
Group's share of total comprehensive income	(4,920)	(3,583)	(11,616)	(2,337)	(413)	(1,500)	(24,369)
Group's acquisition during the year ¹	–	–	–	–	–	4,916	4,916
Group's contribution during the year	–	–	–	–	–	45,656	45,656
Distribution during the year	–	–	(1,434)	(2,896)	(675)	(232)	(5,237)
Carrying amount of interests in associates at end of the year²	53,532	39,021	189,128	33,121	10,118	63,534	388,454

¹ In January 2022, the Group entered into a sale and purchase agreement to acquire 100% of Taeon Wind Power Co., Ltd. ("Taeon") in stages. The total purchase consideration ranges from KRW50 billion to KRW140 billion and is contingent on the final tariff rate granted in the power purchase agreement and construction cost stated in the EPC contract that have yet to be finalised. As at 31 December 2022, the Group had acquired 45% of Taeon for KRW 4.3 billion (US\$3.5 million) and paid an advanced partial consideration of KRW 1.8 billion (US\$1.4 million) in respect of the acquisition of second tranche of 45% share in Taeon in accordance with the terms of the sale and purchase agreement. The Transaction had yet to be completed as at year end and based on the Group's provisional assessment, the consideration paid was classified as an investment in associate.

² Included in carrying amount of interests in associates at end of year is project related agreements and licenses amounting to US\$179.2 million.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

19. Other investments

	Group	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Equity investment at FVTPL	–	39,007
Equity investment at fair value through other comprehensive income (“FVOCI”)	12,731	–

Equity investment at FVOCI (2022: FVTPL) comprise the Group’s interests in Tokumei Kumiai investments in renewable energy assets in Japan.

20. Loans receivables

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Loans receivables from:				
- Related parties	294,159	303,184	99,095	85,400
- Equity-accounted investees	15,367	10,639	–	–
- Other third parties	3,004	3,057	–	–
Bonds receivables from a subsidiary of related party	–	264	–	–
Promissory note receivables	7,642	7,571	–	–
	320,172	324,715	99,095	85,400
Less: Impairment loss	(1,430)	(1,430)	–	–
Total non-current loans receivables	318,742	323,285	99,095	85,400

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

20. Loans receivables (cont'd)

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Current				
Loan receivables from:				
- Related parties	394	–	–	–
- Subsidiaries	–	–	6,000	10,500
Interest receivables from:				
- Related parties	3,468	3,181	2,759	2,358
- Subsidiaries	–	–	22	9
- Equity-accounted investees	450	261	–	–
- Other loans receivables	–	14	–	–
- Promissory note receivables	585	543	–	–
- Cross currency swaps	5,063	5,060	–	–
- Other third parties	2,040	1,267	–	–
	12,000	10,326	8,781	12,867
Less: Impairment loss	(82)	(82)	–	–
Total current loans receivables	11,918	10,244	8,781	12,867

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

Gross loans receivables

	Group		Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current				
Loans receivables from:				
- Related parties	295,296	304,662	99,095	85,400
- Equity-accounted investees	15,367	10,639	–	–
- Other third parties	3,004	3,057	–	–
Other loans receivables	–	264	–	–
Promissory note receivables	7,642	7,571	–	–
	321,309	326,193	99,095	85,400
Current				
Loan receivables from:				
- Subsidiaries	–	–	6,000	10,500
- Related parties	394	–	–	–
	394	–	6,000	10,500
Total loans receivables	321,703	326,193	105,095	95,900

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

20. Loans receivables (cont'd)

Terms and conditions of loan receivables are as follows:

Group	Currency	Maturity date	Principal amount		Interest rate	
			30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 %	31 December 2022 %
Related parties ^(a)	JPY	On demand	99,095	85,400	1.4	1.4
Related parties ^(b)	JPY	2025	196,201	212,152	0.6 – 2.7	0.6 – 2.7
Subsidiaries of related parties ^(c)	JPY	2033	394	425	0.8	0.8
Subsidiaries of related parties ^(a)	JPY	On demand	–	6,685	–	0.6
Equity-accounted investees of related parties ^(a)	JPY	2035	231	249	1.0	1.0
Equity-accounted investees ^(d)	KRW	2027 to 2028	15,136	10,390	3.5 – 5.0	3.5 – 3.7
Other third parties	KRW	On demand	34	34	4.6	4.6
Other third parties ^(a)	JPY	On demand	640	693	0.8	0.8
Other third parties ^(a)	USD	On demand	1,880	1,880	4.6	4.6
Other third parties ^(a)	USD	On demand	450	450	5.5	5.5
Promissory notes receivable ^(e)	THB	2027	7,642	7,571	–	–
Other loans receivables ^(a)	JPY	On demand	–	264	–	1.0
			321,703	326,193		
Company						
Related parties ^(a)	JPY	On demand	99,095	85,400	1.4	1.4
Subsidiaries ^(f)	USD	2023	6,000	10,500	2.2 & 5.8	1.0 & 2.2
			105,095	95,900		

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

20. Loans receivables (cont'd)

- (a) The Group and the Company do not intend to demand these unsecured loans for repayment in the next 12 months.
- (b) Loan receivables from related parties to Euro Medium Term Note Issuer are unsecured and repayable biannually.
- (c) Repayable within 20 years in equal and consecutive instalments of 33.3% with the first payment due 17 years from the date of origination and the same amount on the same day every year thereafter, or earlier at the demand of the Group. The Group does not intend to demand for repayment for the loans in the next 12 months.
- (d) Loan receivables from equity-accounted investees are unsecured and repayable in year 2027 to 2028.
- (e) Promissory notes receivables are zero coupon, non-transferable and redeemable, with maturity date on 3 August 2027. At redemption date, the Group is entitled to receive a redemption amount equal to 1.0% of the principal amount plus accrued redemption fee of 1.0% per annum.
- (f) Loan receivables from subsidiaries are unsecured with a bullet repayment in 2023.

21. Derivative assets and liabilities

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Derivative assets				
Non-current				
Electricity derivatives	50,415	47,558	–	–
Cross currency swaps	98,558	61,194	–	–
Interest rate swaps	11,791	10,674	–	–
	160,764	119,426	–	–
Current				
Electricity derivatives	3,046	2,584	–	–
Forward exchange contracts	1,842	1,579	1,842	1,579
Cross currency swaps	285	343	–	–
Interest rate swaps	3,134	2,115	–	–
	8,307	6,621	1,842	1,579
Total derivative assets	169,071	126,047	1,842	1,579

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

21. Derivative assets and liabilities (cont'd)

	Group		Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Derivative liabilities				
Non-current				
Electricity derivatives	(17,722)	(39,262)	–	–
Interest rate swaps	(7,580)	(183)	–	–
	(25,302)	(39,445)	–	–
Current				
Electricity derivatives	(1,211)	(1,843)	–	–
Forward exchange contract	(1,448)	(4,951)	(1,448)	(4,951)
Interest rate swaps	–	(74)	–	–
	(2,659)	(6,868)	(1,448)	(4,951)
Total derivative liabilities	(27,961)	(46,313)	(1,448)	(4,951)

Cross currency swaps

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

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

As disclosed in Note 17, certain TK interests were transferred to the Group on 30 June 2023. The Group has elected to apply hedge accounting by which these cross currency swaps are designated as hedging instruments. Accordingly, foreign exchange gains of US\$107.9 million (2022: US\$Nil) had been reclassified from accumulated profits to translation reserve and presented in the Statement of changes in equity for the six months ended 30 June 2023.

Electricity derivatives

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

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

21. Derivative assets and liabilities (cont'd)

Hedge accounting

Net investment hedge

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

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

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

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

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements
For the six months ended 30 June 2023

21. Derivative assets and liabilities (cont'd)

Hedge accounting (cont'd)

Net investment hedge (cont'd)

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

	2023			Line item in the statement of financial position where the hedging instrument is included	During the six months period ended 30 June 2023					
	Notional amount US\$'000	Carrying amount – assets US\$'000	Carrying amount – liabilities US\$'000		Change in value used for calculating hedge in-effectiveness US\$'000	Change in value of hedging instrument recognised in OCI US\$'000	Hedge in-effectiveness recognised in profit or loss US\$'000	Line item in profit or loss that includes hedge in-effectiveness	Amount reclassified from hedging reserve to profit or loss US\$'000	Line item affected in profit or loss because of the re-classification
Cross currency interest rate swaps	500,000	89,541	–	Derivative assets	–	–	–	Change in fair value of financial instruments at FVTPL	–	Not applicable

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

	2023	
	Change in value used for calculating hedge effectiveness US\$'000	Foreign currency translation reserve US\$'000
JPY net investment	–	107,897

Vena Energy Holdings Ltd and its Subsidiaries**Notes to the interim condensed consolidated financial statements
For the six months ended 30 June 2023**

21. Derivative assets and liabilities (cont'd)***Hedge accounting – Cash flow hedges***

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

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

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

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

Hedge ineffectiveness may occur due to:

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

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

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements
For the six months ended 30 June 2023

21. Derivative assets and liabilities (cont'd)

Hedge accounting – Cash flow Hedges (cont'd)

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

	2023			Line item in the statement of financial position where the hedging instrument is included	During the six months period ended 30 June 2023					
	Nominal amount US\$'000	Carrying amount – assets US\$'000	Carrying amount – liabilities US\$'000		Change in value used for calculating hedge in-effectiveness US\$'000	Change in value of hedging instrument recognised in OCI US\$'000	Hedge in-effectiveness recognised in profit or loss US\$'000	Line item in profit or loss that includes hedge in-effectiveness	Amount reclassified from hedging reserve to profit or loss US\$'000	Line item affected in profit or loss because of the re-classification
Commodity price risk										
Electricity derivatives	241,624	52,944	–	Derivatives assets	2,156	(4,636)	6,792	Change in fair value of financial instruments at FVTPL	5,630	Sale of energy
Electricity derivatives	271,829	517	(18,933)	Derivative assets/(liabilities)	23,218	20,440	2,778	Change in fair value of financial instruments at FVTPL	–	Not applicable

As of 30 June 2023, the hedge rates range from AUD40/Mwh to AUD128/Mwh with a maturity date in 2038 to 2041.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements
For the six months ended 30 June 2023

21. Derivative assets and liabilities (cont'd)

Hedge accounting – Cash flow Hedges (cont'd)

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

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

As of 31 December 2022, the hedge rates range from AUD40/Mwh to AUD136/Mwh with a maturity date in 2038 to 2041.

Vena Energy Holdings Ltd and its Subsidiaries
**Notes to the interim condensed consolidated financial statements
For the six months ended 30 June 2023**
21. Derivative assets and liabilities (cont'd)
Hedge accounting – Cash flow Hedges (cont'd)

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

	2023	
	Change in value used for calculating hedge ineffectiveness US\$'000	Cash flow hedge reserve US\$'000
Sale of energy	(15,804)	(75,674)
	2022	
	Change in value used for calculating hedge ineffectiveness US\$'000	Cash flow hedge reserve US\$'000
Sale of energy	91,478	(91,478)

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

22. Trade and other receivables

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current					
Other receivables	(d)	–	1,521	–	–
Other tax receivable	(e)	31,355	–		
Total non-current other receivables		31,355	1,521	–	–
Current					
Trade receivables		41,461	63,380	–	–
Contract assets		44,591	18,127	–	–
Total trade receivables and contract assets		86,052	81,507	–	–

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

22. Trade and other receivables (cont'd)

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-trade amounts due from:					
- Subsidiaries	(a)	–	–	278	301
- Equity-accounted investees	(b)	649	17	–	–
- Related parties	(c)	15,560	57,735	87	87
- Other third parties		7,443	10,515	–	–
Deposits		164,143	27,521	–	–
Other tax receivables	(e)	19,337	6,809	–	–
Other receivables	(d)	22	10	–	–
Total current other receivables		207,154	102,607	365	388
Less: Impairment loss					
- Trade receivables and contract assets		(5,042)	(4,990)	–	–
- Other receivables		(572)	(291)	–	–
Total current trade and other receivables		287,592	178,833	365	388
Total trade and other receivables		318,947	180,354	365	388

Trade receivables are non-interest bearing and are generally on standard credit terms ranging from 30 to 90 days (2021: 30 to 90 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

- (a) The amount due from subsidiaries is non-trade, unsecured, non-interest bearing and repayable on demand.
- (b) The amount due from equity-accounted investees is non-trade, unsecured, non-interest bearing and repayable on demand.
- (c) The amounts due from related parties are intercompany advances, asset management fees and operation and maintenance service charges charged to subsidiaries of Zenith Japan Holdings Trust (“ZJHT”), and shared service charges charged to subsidiaries of Vena Energy (Taiwan) Holdings Ltd (“VETHL”).

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

22. Trade and other receivables (cont'd)

- (d) Other receivables relate to liquidated damages receivable from EPC contractors in Indonesia.
- (e) Non-current other tax receivables relate to value-added tax receivables which will be refunded upon completion of construction of the projects while current other tax receivables relate to value-added tax receivables that are expected to be refunded within the next 12 months.

Disaggregation of trade receivables

A summary of the Group's exposure to credit risk for trade receivables by geographic region is as follows:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
India	35,013	58,892
Indonesia	2,385	542
Thailand	4,063	3,872
Others	–	74
	41,461	63,380

23. Prepayments and other assets

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Other prepayments	4,230	4,168	–	–
Other assets	19,509	16,405	–	–
	23,739	20,573	–	–
Current				
Other prepayments	11,891	10,012	96	5
Other assets	4,536	2,718	–	–
	16,427	12,730	96	5
Total prepayments and other assets	40,166	33,303	96	5

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

24. Cash and bank balances Restricted cash

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
<u>Non-current</u>					
Restricted bank balances		44,373	31,360	–	–
<u>Current</u>					
Bank balances		373,562	191,682	21,948	17,350
Short term deposits		48,995	27,918	–	–
Fixed deposits	(a)	827	4,471	–	–
Less: Impairment loss		(48)	(47)	–	–
		423,336	224,024	21,948	17,350
Cash and bank balances in the statements of financial position					
		467,709	255,384	21,948	17,350
Less: Restricted bank balances and deposits	(b)	(139,425)	(58,307)	–	–
Add: Impairment loss		48	47	–	–
Cash and cash equivalents in the statements of cash flows					
		328,332	197,124	21,948	17,350

- (a) Fixed deposits are made for varying periods of between three to twelve months, depending on the immediate cash requirements of the Group, and earn interests at the respective fixed deposit rates.
- (b) As at 30 June 2023, US\$139.4 million (2022: US\$58.3 million) of the Group's cash and bank balances were restricted. Out of this, US\$91.0 million (2022: US\$23.2 million) of the Group's cash and bank balances were held under Debt Service Reserve Accounts ("DSRA"), which represents a reserve account used for debt service of project finance debts.

As at the reporting date, cash and bank balances of US\$302.0 million (2022: US\$72.8 million) were pledged as collateral to secure project finance debts.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

25. Equity contribution

	Group and Company		
	30 June 2023	31 December 2022	
	US\$'000	US\$'000	
Equity contribution			
Share capital at US\$0.01 per share	15,667	15,667	
Share premium	2,959,899	1,701,052	
	2,975,566	1,716,719	
	Note	Group and Company	
		30 June 2023	31 December 2022
		No. of shares (‘000)	No. of shares (‘000)
Issued and fully paid			
At beginning of the period/year		1,566,734	1,566,734
Issued during the period/year	(a)	126	–
		1,566,860	1,566,734

(a) On 30 June 2023, 125,884 number of ordinary shares were issued at a par value of US\$0.01 each with share premium of US\$1,258.8 million.

The holder of ordinary shares is entitled to one vote per share at meetings of the Company.

26. Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	50,000	50,000	50,000	50,000
Translation reserve	(336,234)	(150,837)	–	–
Defined benefit reserve	147	142	–	–
Cash flow hedge reserve	(75,674)	(91,478)	–	–
Merger reserve	48,465	–	–	–
	(313,296)	(192,173)	50,000	50,000

Capital reserve

The capital reserves comprise equity injections by shareholders for which ordinary shares have yet to be issued.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

26. Reserves (cont'd)

Translation reserve

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

Defined benefit reserve

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

Cash flow hedge reserve

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

	Commodity price risk	
	30 June	31 December
	2023	2022
	US\$'000	US\$'000
Beginning balance	(91,478)	–
Effective portion of changes in fair value of hedging instrument	10,174	(94,819)
Amount reclassified from hedging reserve to profit or loss	5,630	3,341
Ending balance	<u>(75,674)</u>	<u>(91,478)</u>

Merger reserve

Merger reserve represents the difference between the consideration transferred and the acquired net assets and equity reserves arising from the acquisitions accounted for by applying the “pooling-of-interest” method.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

27. Loans and borrowings and lease liabilities

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current					
Project finance debts	(d)	1,910,573	684,518	–	–
Revolving credit facility		48,070	13,808	48,070	13,808
Loan from a related party	(c)	258,751	180,459	258,751	180,459
Euro Medium Term Note	(a)	499,667	499,435	–	–
Loan from Euro Medium Term Note Issuer	(b)	–	–	195,055	210,669
External party loan		1,430	–	–	–
		2,718,491	1,378,220	501,876	404,936
Lease liabilities		217,530	67,992	–	–
Current					
Project finance debts	(d)	123,467	135,677	–	–
External party loan		2,480	2,480	–	–
Working capital loan		–	6,015	–	–
Loan from subsidiaries		–	–	12,490	22,490
Interest payable					
- Project finance debts		525	533	–	–
- Loan from a related party		1,481	161	1,481	161
- Euro Medium Term Note		5,025	5,067	–	–
- Loan from Euro Medium Term Note Issuer		–	–	734	811
- Derivatives		1,640	1,728	–	–
- Loan from subsidiaries		–	–	72	–
- External party loan		16	–	–	–
		134,634	151,661	14,777	23,462
Lease liabilities		8,002	5,625	–	–
Total loans and borrowings and lease liabilities		3,078,657	1,603,498	516,653	428,398

Vena Energy Holdings Ltd and its Subsidiaries**Notes to the interim condensed consolidated financial statements
For the six months ended 30 June 2023**

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

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

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

Proceeds from the Notes issuance were allocated to the Company, VETHL and Zenith Japan Holdings Ltd ("ZJH") (as trustee of ZJHT) through intercompany loans.

The Company together with VETHL and ZJH (as trustee for ZJHT) jointly and severally act as guarantors for Vena Energy Capital Pte. Ltd. for the Notes issuance. The due and punctual payment of all sums payable by Vena Energy Capital Pte. Ltd. from time to time in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the guarantors.

- (b) The loan from Euro Medium Term Note issuer will mature on 26 February 2025. The interest will be payable on a semi-annual basis.
- (c) The loan from a related party is unsecured and will mature on 30 December 2024.
- (d) Project finance debts are entered with reputable financial institutions by respective Group entities and are repayable on a quarterly basis with maturity date from 2023 to 2044 (2022: 2023 to 2044). The interest rates on these borrowings consist of fixed rates and floating rates.

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

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

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

Gross debt

	Group		Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current				
Project finance debts	1,939,024	694,155	–	–
Revolving credit facility	48,913	15,111	48,913	15,111
Loan from a related party	258,751	180,459	258,751	180,459
Euro Medium Term Note	500,000	500,000	–	–
Loan from Euro Medium Term Note Issuer	–	–	196,173	212,122
External party loan	1,430	–	–	–
	2,748,118	1,389,725	503,837	407,692
Current				
Project finance debts	126,641	137,047	–	–
External party loan	2,480	2,480	–	–
Working capital loan	–	6,015	–	–
Loan from subsidiaries	–	–	12,490	22,490
	129,121	145,542	12,490	22,490
	2,877,239	1,535,267	516,327	430,182

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Terms and conditions of loans and borrowings are as follows:

Group	Currency	Maturity date	Principal amount		Interest rate	
			30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 %	31 December 2022 %
Project finance debt	AUD	2023-2044	100,421	102,040	BBSY+1.7	BBSY+1.7
Project finance debt	AUD	2025	55,559	56,457	BBSY+1.2	BBSY+1.2
Project finance debt	AUD	2027	118,967	117,452	BBSY+1.4 - 2.3	BBSY+1.4 - 2.3
Project finance debt	INR	2035	83,533	80,360	9.2	10.3-10.5
Project finance debt	INR	2033	15,624	15,590	8.9	8.9
Project finance debt	INR	2033	14,350	15,941	9.1	9.5
Project finance debt	INR	2028	8,429	9,135	10.0	10.0
Project finance debt	INR	2033	53,098	54,504	8.7	8.4
Project finance debt	INR	2037	48,478	49,656	9.3 to 10.2	9.3
Project finance debt	INR	2035	19,864	20,978	8.2	8.2
Project finance debt	INR	2033	66,401	66,433	8.6	8.6
Project finance debt	INR	2025	70,686	71,691	7.4 to 8.2	7.4
Project finance debt	INR	2027	70,718	1,843	7.3 to 7.7	7.3 to 7.7
Project finance debt	THB	2027	32,928	43,386	4.2 & MLR-2.8	4.2 & MLR-2.8
Project finance debt	USD	2037	91,311	94,004	3.9 - 5.7	3.9 - 5.7
Project finance debt	USD	2037	15,902	16,562	3 - 5.7	3 - 5.7
Project finance debt	USD	2037	14,563	15,170	1.5 - 5.7	1.5 - 5.7
Project finance debt	JPY	2023-2040	976,282	–	3M TIBOR + 0.6 to 0.8	–
Project finance debt	JPY	2023-2038	41,388	–	6M TIBOR + 1.1	–
Project finance debt	JPY	2027	167,163	–	TONAR + 0.9	–
External party loan	USD	2023	2,480	2,480	Interest free	Interest free
Revolving credit facility	JPY	2024	48,913	15,111	Tonar+1.0	Tonar+1.0
Working capital loan	INR	2023	–	6,015	–	13.0
Loan from a related party	JPY	2024	258,751	180,459	1.4	1.4
Euro Medium Term Note	USD	2025	500,000	500,000	3.1	3.1
External party loan	KRW	2027-2028	1,430	–	5.9	–
			2,877,239	1,535,267		

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Company	Currency	Maturity date	Principal amount		Interest rate	
			30 June 2023	31 December 2022	2023	2022
			US\$'000	US\$'000	%	%
Revolving credit facility	JPY	2024	48,913	15,111	Tonar +1.0	Tonar +1.0
Loan from a related party	JPY	2024	258,751	180,459	1.4	1.4
Loan from subsidiaries	USD	2023	12,490	22,490	1.0	1.0
Loan from Euro Medium Term Note Issuer	JPY	2025	196,173	212,122	0.6 & 2.7	0.6 & 2.7
			<u>516,327</u>	<u>430,182</u>		

The loans and borrowings contain debt covenants which are tested on a regular basis. A future breach of these covenants may require the Group to repay the loans and borrowings earlier than indicated in the table above. The Group has not breached any debt covenants as at 30 June 2023.

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

As at 30 June 2023, project finance debts amounting to US\$2,065.7 million (2022: US\$831.2 million) has been taken up by the subsidiaries of the Group where these debt obligations have no recourse to the Group.

Leverage ratio

Pursuant to the amendment and restatement agreement dated 21 May 2021 relating to the existing facilities agreement between VEHL, VETHL, ZJHT (collectively, the "Combined Group") and Credit Agricole Corporate and Investment Bank acting as agent and issuing bank (the "RCF Facility Agreement"), the Combined Group has complied with all covenants relating to the Revolving Credit Facilities as at 30 June 2023.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Pledges for facility agreements

The Group has entered into several Facilities agreements with various financial institutions. Under these agreements, these financial institutions provide project financing debts of US\$2,065.7 million (2022: US\$831.2 million) to the Group on a combination of fixed and floating rates.

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

The Group's assets directly pledged in relation to the facilities agreements are as disclosed in Note 14, 16 and 24 to the financial statements. The indirect pledge over the Group's consolidated net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Project entities' contribution to the net assets of the Group	831,695	179,637

Stand-by letter of credit

As at 30 June 2023, the Group has obtained stand-by letters of credit ("SBLC"):

- US\$58.6 million (2022: US\$143.5 million) which expires over the period from July 2023 to June 2024 (2022: January 2023 to December 2023). The SBLC bears an interest of 0.8% to 1.0% (2022: 0.8% to 1.0%) per annum.
- US\$1.9 million (2022: US\$1.9 million) with no maturity. The SBLC bears an interest of 0.8% (2022: 0.8%) per annum.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

28. Trade and other payables

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current					
Deferred income	(a)	6,246	9,141	–	–
Current					
Non-trade amounts due to:					
- Subsidiaries	(b)	–	–	302	302
- Related parties	(c)	14,010	6,808	–	–
- Other third parties		10,788	5,541	–	–
- Equity-accounted investees		618	–	–	–
Trade payables		36,325	27,218	–	–
Other payables		–	–	17	–
Payables to EPC contractors		6,074	39,361	–	–
Other tax payable		13,102	7,453	–	–
Accrued operating expenses		16,782	13,004	50	75
Accrued staff costs		2,013	1,986	–	–
Deferred income	(d)	2,037	20,096	–	–
		101,749	121,467	369	377
Total trade and other payables		107,995	130,608	369	377

Trade payables are non-interest bearing and are generally settled on standard credit terms ranging from 30 to 90 days (2021: 30 to 90 days).

- (a) Non-current deferred income is contract liabilities which relates to advanced mobilisation payments received from subsidiaries of ZJHT of US\$5.4 million (2022: US\$5.0 million), amortised over the contractual period with regards to operations and maintenance agreements.
- (b) The amounts due to subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.
- (c) Amounts due to related parties include US\$1.7 million (2022:US\$1.8 million) of advances received from subsidiaries of ZJHT for asset management fees and operational and maintenance fees. It also includes US\$0.5 million (2022: US\$2.0 million) payables to subsidiaries of ZJHT for purchase of land which was subsequently leased back to the same subsidiaries of the ZJHT.
- (d) Included in current deferred income is contract liabilities of US\$Nil (2022: US\$18.9 million) which relates to advances received from customers for services yet to be fulfilled, US\$0.2 million (2022: US\$0.4 million) which relates to government grants on project, amortised over PPA period of 25 years, US\$0.1 million (2022: US\$0.1 million) which relates to government grants on bond issuance, amortised over the bond life of 5 years.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

29. Asset retirement obligation

The Group has recorded asset retirement obligation (“ARO”) primarily associated with the estimated cost to reinstate property involved in power generation.

As at 30 June 2023, out of the carrying amount of US\$60.6 million (2022: US\$10.8 million), US\$45.3 million (2022: US\$Nil) is included in the carrying amount of asset retirement obligation (“ARO”) which is primarily associated with the estimated cost to reinstate property involved in power generation in Japan.

The following table illustrates the asset retirement obligation for each of Japanese solar project entities have been recorded on respective balance sheets to meet the statutory requirement to accumulate the reserve in accordance with Article 6-2, Item 3(b) of the enforcement regulations for the Act on Special Measures Concerning Promotion of Utilizing Renewable Electric Energy.

The decommissioning reserve arrangement mandates that commercial solar power projects approved under the FIT program ensure the availability of funds required for the eventual dismantling of power generation facilities. This is achieved primarily through an external reserve although certain circumstances might allow an alternative approach such as internal reserve.

This requirement is applicable to solar projects with a capacity exceeding 10 kW. The initiation of this arrangement takes place a decade prior to the conclusion of the FIT period. The quantification of the reserve is determined by the multiplication of electricity sales with a predefined standard rate derived from the FIT price. Subsequently, this computed amount is subtracted from the monthly electricity sales revenue.

Name of the Japanese Project Entities	Commencement date	Group METI requirement JPY'000	Carrying amount JPY\$'000
30 June 2023			
GK KC-01 Investment	May-29	–	290,000
GK NRE Sannan	Sep-25	–	213,867
GK NRE-04 Investment	Nov-27	–	507,119
GK NRE-05 Investment	Mar-27	–	463,339
GK NRE-06 Investment	Aug-27	–	281,507
GK NRE-13 Investment	Dec-26	–	53,098
GK NRE-15 Investment	Oct-27	–	142,566
GK NRE-16 Investment	Apr-26	–	91,179
GK NRE-18 Investment	May-28	–	313,728
GK NRE-19 Investment	Jan-30	–	330,060
GK NRE-20 Investment	Oct-31	–	253,053
GK NRE-21 Investment	Nov-31	–	194,001
GK NRE-23 Investment	Apr-31	–	256,201
GK NRE-25 Investment	Aug-32	–	138,982
GK NRE-29 Investment	Aug-32	–	50,432
GK NRE-32 Investment	Sep-32	–	438,284
GK NRE-36 Investment	Oct-29	–	160,859
GK NRE-37 Investment	Jun-32	–	199,762
GK NRE-41 Investment	Oct-30	–	476,722
GK NRE-42 Investment	Jul-31	–	122,740
GK NRE-44 Investment	Apr-30	–	181,655
KP Energy GK	Sep-29	–	285,274
SEJ 111 GK	Jul-31	–	114,356

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

29. Assets retirement obligation (cont'd)

Name of the Japanese Project Entities	Commencement date	Group METI requirement JPY'000	Carrying amount JPY\$'000
30 June 2023			
Amateras Solar G.K.	Dec-30	–	713,742
GK Energy Forest	Nov-35	–	203,515

30. Fair value of financial instruments

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Additionally, it excludes fair value information for lease liabilities as it is not required. At the reporting date, the fair values of trade and other receivables, cash and bank balances, restricted cash and trade and other payables are equivalent to the carrying amounts shown in the statement of financial position due to the short-term maturity of these financial instruments.

Group	Note	Carrying amount				Fair value				
		Mandatorily at FVTPL US\$'000	Held at FVOCI US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
30 June 2023										
Loans receivables	20	–	–	330,660	–	330,660	–	333,309	–	333,309
Trade and other receivables*	22	–	–	268,255	–	268,255	–	–	–	–
Other investments	19	–	12,731	–	–	12,731	–	–	12,731	12,731
Electricity derivatives	21	53,461	–	–	–	53,461	–	–	53,461	53,461
Forward exchange contracts	21	1,842	–	–	–	1,842	–	1,842	–	1,842
Cross currency swaps	21	98,843	–	–	–	98,843	–	98,843	–	98,843
Interest rate swaps	21	14,925	–	–	–	14,925	–	14,925	–	14,925
Cash and bank balances	24	–	–	423,336	–	423,336	–	–	–	–
Restricted cash	24	–	–	44,373	–	44,373	–	–	–	–
		169,071	12,731	1,066,624	–	1,248,426				

* Excludes non-financial assets and liabilities

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value (cont'd)

Group	Note	Carrying amount					Fair value			
		Mandatorily at FVTPL	Held at FVOCI	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
30 June 2023										
Loans and borrowings	27	–	–	–	(2,853,125)	(2,853,125)	–	(2,885,926)	–	(2,885,926)
Electricity derivatives	21	(18,933)	–	–	–	(18,933)	–	–	(18,933)	(18,933)
Interest rate swaps	21	(7,580)	–	–	–	(7,580)	–	(7,580)	–	(7,580)
Forward exchange contracts	21	(1,448)	–	–	–	(1,448)	–	(1,448)	–	(1,448)
Trade and other payables*	28	–	–	–	(86,610)	(86,610)	–	–	–	–
		(27,961)	–	–	(2,939,735)	(2,967,696)	–	–	–	–

* Excludes non-financial assets and liabilities

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value (cont'd)

Group	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
31 December 2022									
Loans receivables	20	–	333,529	–	333,529	–	336,519	–	336,519
Trade and other receivables*	22	–	173,545	–	173,545	–	–	–	–
Other investments	19	39,007	–	–	39,007	–	–	39,007	39,007
Electricity derivatives	21	50,142	–	–	50,142	–	–	50,142	50,142
Cross currency swaps	21	61,537	–	–	61,537	–	61,537	–	61,537
Interest rate swaps	21	12,789	–	–	12,789	–	12,789	–	12,789
Forward exchange contract	21	1,579	–	–	1,579	–	1,579	–	1,579
Cash and bank balances	24	–	224,024	–	224,024	–	–	–	–
Restricted cash	24	–	31,360	–	31,360	–	–	–	–
		165,054	762,458	–	927,512	–	–	–	–
Loans and borrowings	27	–	–	(1,529,881)	(1,529,881)	–	(1,542,756)	–	(1,542,756)
Electricity derivatives	21	(41,105)	–	–	(41,105)	–	–	(41,105)	(41,105)
Interest rate swaps	21	(257)	–	–	(257)	–	(257)	–	(257)
Forward exchange contract	21	(4,951)	–	–	(4,951)	–	(4,951)	–	(4,951)
Trade and other payables*	28	–	–	(93,918)	(93,918)	–	–	–	–
		(46,313)	–	(1,623,799)	(1,670,112)	–	–	–	–

* Excludes non-financial assets and liabilities

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value (cont'd)

Company	Note	Carrying amount				Fair value			
		Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
30 June 2023									
Loans receivables	20	–	107,876	–	107,876	–	107,876	–	107,876
Trade and other receivables*	22	–	365	–	365	–	–	–	–
Forward exchange contracts	21	1,842	–	–	1,842	–	1,842	–	1,842
Cash and bank balances	24	–	21,948	–	21,948	–	–	–	–
		1,842	130,189	–	132,031	–	–	–	–
Loans and borrowings	27	–	–	(516,653)	(516,653)	–	(516,653)	–	(516,653)
Forward exchange contract	21	(1,448)	–	–	(1,448)	–	(1,448)	–	(1,448)
Trade and other payables*	28	–	–	(369)	(369)	–	–	–	–
		(1,448)	–	(517,022)	(518,470)	–	–	–	–

* Excludes non-financial assets and liabilities

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the interim condensed consolidated financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value (cont'd)

Company	Note	Carrying amount				Fair value			
		Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
31 December 2022									
Loans receivables	20	–	98,267	–	98,267	–	98,267	–	98,267
Trade and other receivables	22	–	388	–	388	–	–	–	388
Forward exchange contract	21	1,579	–	–	1,579	–	1,579	–	1,579
Cash and bank balances	24	–	17,350	–	17,350	–	–	–	17,350
		1,579	116,005	–	117,584	–	–	–	117,584
Loans and borrowings	27	–	–	(428,398)	(428,398)	–	(428,398)	–	(428,398)
Forward exchange contract	21	(4,951)	–	–	(4,951)	–	(4,951)	–	(4,951)
Trade and other payables*	28	–	–	(377)	(377)	–	–	–	(377)
		(4,951)	–	(428,775)	(433,726)	–	–	–	(433,726)

* Excludes non-financial assets and liabilities

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the Condensed Interim Financial Statements For the six months ended 30 June 2023

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

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other investments: Equity investments – at FVOCI	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Discount rate	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> the discount rate was lower (higher)
Electricity derivatives	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the expectation of spot rates for the duration of the contract.	Electricity spot rate Discount rate	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> The electricity spot rate was lower (higher); The discount rate was lower (higher).
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable	Not applicable

Vena Energy Holdings Ltd and its Subsidiaries

**Notes to the Condensed Interim Financial Statements
For the six months ended 30 June 2023**

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

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments measured at fair value (cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward rates at the reporting date and present value calculations based on yield curves in respective currencies.	Not applicable	Not applicable
Cross currency swaps	<i>Swap models:</i> Cross currency swaps are measured using quoted forward exchange rates and yield curves from quoted interest rates of the respective currencies, matching maturities of the swaps.	Not applicable	Not applicable

Financial instruments not measured at fair value

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

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the Condensed Interim Financial Statements For the six months ended 30 June 2023

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

Financial instruments not measured at fair value (cont'd)

Level 3 fair values

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

	Group				
	30 June 2023		31 December 2022		
	Equity investments – at FVOCI US\$'000	Equity investments – at FVTPL US\$'000	Electricity derivatives US\$'000	Equity investments – at FVTPL US\$'000	Electricity derivatives US\$'000
Beginning balance	–	39,007	9,037	23,548	146,520
Reclassification ¹	39,007	(39,007)	–	–	–
Additions	84	–	–	2,316	–
Unrealised portion of changes in fair value of equity investment recognised in other comprehensive income	(13,077)	–	–	–	–
Unrealised portion of changes in fair value of equity investment recognised in profit or loss	–	–	–	15,120	–
Ineffective portion of changes in fair value of cash flow hedge recognised in profit or loss	–	–	9,570	–	(37,383)
Effective portion of changes in fair value of cash flow hedge recognised in OCI, net	–	–	15,804	–	(91,478)
Remeasurement of previously held interest (Note 17)	(13,160)	–	–	–	–
Foreign currency translation recognised in OCI	(123)	–	117	(1,977)	(8,622)
Ending balance	12,731	–	34,528	39,007	9,037

¹ Arising from the transfer of TK interests as disclosed in Note 17, the Group reviewed its business strategy of the equity investments and deemed that these investments are not held-for-trading but for long-term investments. Accordingly, the equity investments previously measured at FVTPL had been reclassified to equity investments at FVOCI at the beginning of the reporting period.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the Condensed Interim Financial Statements For the six months ended 30 June 2023

31. Commitments

Construction agreements

The commitments for construction of property, plant and equipment as at 30 June 2023 and 31 December 2022 are as follows:

	Group	
	30 June 2023	31 December 2022
Supply contract	62,360	45,554
Construction of power plant	499,823	61,157
	562,183	106,711
At end of period/year	562,183	106,711

Acquisitions

Project Yokji

On April 2020, the Group entered into a share purchase agreement to acquire 100% of Yokji. As part of the purchase consideration, the Group has committed to contingent payments upon achieving of the project milestones.

In May 2021, the Group made the contingent payment amounting to KRW 2,200 million (US\$2.0 million) upon the execution of the grid connection agreement, and is recognised as part of the Group's project-related agreements and licenses in Note 16 Intangible assets.

During the period, the Group commits to pay the remaining contingent payment, amounting to KRW 5,000 million (US\$3.9 million), upon the submission of final and effective notice of the commencement of construction work to the Governmental Authority in relation to the project.

Project Taeon

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

As at 30 June 2023, the Group has acquired 45% of Taeon for KRW 4.3 billion (US\$3.5 million) and paid an advanced partial consideration of KRW 1.8 billion (US\$1.4 million) in respect of the acquisition of second tranche of 45% share in Taeon in accordance with the terms of the sale and purchase agreement.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the Condensed Interim Financial Statements For the six months ended 30 June 2023

32. Contingent liability

Tax dispute

Certain subsidiaries of the Group are involved in a tax dispute which arose in the ordinary course of business. An Assessing Officer (“AO”) in the Indian tax office has made the following adjustments to the tax returns of the subsidiaries:

- Disallowed interest differential between 9.5%/11% and 15%/10.9% for or non-convertible debentures/rupee denominated bonds (“NCD/RDB”), respectively; and
- Disallowed certain Capex/Opex based expenditure.

These subsidiaries have filed an appeal with the higher authorities against the claim made by AO and the outcome is still pending as at 30 June 2023. Based on external tax and legal advice, management believes that the outcome will be favourable and the Group is not liable to the potential tax exposures.

33. Related parties

Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd have identical board of directors through the periods presented in these financial statements. Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) is the beneficiary of Zenith Japan Trust acting by its trustee of Zenith Japan Ltd, which has entered into numerous tokumei kumiai arrangements that gives Zenith Japan Trust an economic interest in its subsidiaries’ assets in Japan (the “Japanese Assets”). The Japanese Assets have entered into asset management agreements with certain Japanese companies owned by Vena Energy Holdings Ltd.

As such, the Group has determined Vena Energy (Taiwan) Holdings Ltd and its subsidiaries (“VETHL Group”), Zenith Japan Holdings Trust and its subsidiaries (“ZJHT Group”) as related parties in accordance with IAS 24. Accordingly, all mentions of related parties in the financial statements, except as otherwise defined, refer to entities within VETHL Group and ZJHT Group.

During the six months ended 30 June 2023, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

Vena Energy Holdings Ltd and its Subsidiaries

Notes to the Condensed Interim Financial Statements For the six months ended 30 June 2023

34. Subsequent events

Investment in a subsidiary

From July 2023 to August 2023, the Company subscribed to 11,873,798 ordinary shares of US\$1.00 each amounting to US\$11,873,798 in Vena Energy Ltd, a wholly owned subsidiary of the Company.

Share capital

In July 2023, the following transactions took place:

- (a) the Company consolidated its 1,566,860,319 issued ordinary shares each with a par value of US\$0.01 at a ratio of 100:1, effectively reducing the number of issued shares to 15,668,603 each with a par value of US\$1.00; and
- (b) the Company utilised US\$2,959.9 million from its share premium and US\$50.0 million from its capital reserve to issue new fully paid shares to its shareholder.

Credit facilities agreement

In August 2023, Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust (collectively known as "Borrowers") entered into a multicurrency unfunded green letter credit facilities agreement of an aggregate principal amount of US\$550,000,000 (the "Facilities Agreement"). The Borrowers jointly and severally act as guarantors to this Facilities Agreement.

35. Authorisation of interim financial statements for issue

The interim financial statements for the period 1 January 2022 to 30 June 2023 were authorised for issue in accordance with a resolution of the directors passed on 31 August 2023.

Vena Energy (Taiwan) Holdings Ltd
and its Subsidiaries

Interim Condensed Financial Statements
For the six months ended 30 June 2023



Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

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Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Statement by directors


Opinion of the directors

In our opinion:

- (a) the accompanying interim condensed financial statements comprising the condensed statements of financial position of Vena Energy (Taiwan) Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2023, the condensed statements of profit or loss, comprehensive income, changes in equity and cash flows of the Group and the Company for the six-month period then ended, and notes to the interim condensed financial statements, including material accounting policy information, are prepared in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised the condensed interim financial statements for issue.

On behalf of the Board of Directors

DocuSigned by:

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Jason Baer
Director

31 August 2023

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Independent auditor's report For the six months ended 30 June 2023

Member of the Company Vena Energy (Taiwan) Holdings Ltd

Report on the review of the interim condensed financial statements

Introduction

We have reviewed the accompanying interim condensed financial statements of Vena Energy (Taiwan) Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group"), which comprise the condensed statements of financial position of the Group and the Company as at 30 June 2023, the condensed statements of profit or loss, comprehensive income, changes in equity and cash flows of the Group and the Company for the six-month period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of the interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the interim condensed financial statements based on our review.

Scope of review

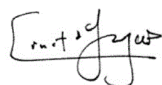
We conducted our review in accordance with Singapore Standards on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at and for the six months ended 30 June 2023 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Restriction on distribution and use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim condensed financial statements for the purpose of reporting to external counterparties for existing bonds issued and for no other purpose. Our report will be made available by you to the existing bond holders and the potential bond investors for their information only. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

31 August 2023

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries**Interim condensed statements of profit or loss
For the six months ended 30 June 2023**

	Note	Group		Company	
		30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Revenue	6	43,745	29,788	–	–
Other income		135	1	–	–
Operating costs	7	(4,215)	(3,591)	(16)	(33)
Other costs of operations	8	(8,523)	(5,112)	–	–
Shared services costs	9	(5,468)	(2,866)	–	–
Management fee		(100)	(100)	–	–
Development costs	10	(14)	(38)	–	–
Depreciation expense	14,15	(10,760)	(6,020)	–	–
Amortisation expense	16	(455)	(484)	–	–
Results from operating activities		14,345	11,578	(16)	(33)
Finance income	11	161	8	11	3
Finance costs	11	(7,546)	(3,322)	(880)	(1,331)
Change in fair value of financial instruments at fair value through profit or loss (“FVTPL”)	12	1,951	6,178	–	–
Net foreign exchange gain		9,949	26,752	9,942	28,658
Net finance income		4,515	29,616	9,073	27,330
Share of results of equity-accounted investees, net of tax	18	131	4,584	–	–
Profit before tax	13	18,991	45,778	9,057	27,297
Tax expense		(2,714)	(3,024)	–	–
Profit for the period		16,277	42,754	9,057	27,297
Profit attributable to:					
Owner of the Company		16,277	42,462	9,057	27,297
Non-controlling interests		–	292	–	–
		16,277	42,754	9,057	27,297

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries**Interim condensed statements of comprehensive income
For the six months ended 30 June 2023**

	Note	Group		Company	
		30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Profit for the period		16,277	42,754	9,057	27,297
Other comprehensive income ("OCI")					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		(1,820)	(11,830)	–	–
Foreign currency translation differences of equity accounted investees	18	(481)	(4,568)	–	–
Other comprehensive income for the period		(2,301)	(16,398)	–	–
Total comprehensive income for the period		13,976	26,356	9,057	27,297
Total comprehensive income attributable to:					
Owner of the Company		13,976	26,469	9,057	27,297
Non-controlling interests		–	(113)	–	–
		13,976	26,356	9,057	27,297

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Interim condensed statements of financial position As at 30 June 2023

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	413,193	424,959	–	–
Right-of-use assets	15	68,568	70,684	–	–
Intangible assets	16	45,880	46,747	–	–
Investment in subsidiaries	17	–	–	317,307	296,165
Equity-accounted investees	18	52,094	53,806	–	–
Deferred tax assets		490	–	–	–
Derivative assets	19	5,811	3,819	–	–
Restricted cash	22	1,334	–	–	–
		587,370	600,015	317,307	296,165
Current assets					
Trade and other receivables	20	72,364	74,155	11	15
Prepayments and other assets	21	5,342	1,609	2	4
Cash and bank balances	22	99,823	38,128	137	375
		177,529	113,892	150	394
Total assets		764,899	713,907	317,457	296,559
Equity					
Equity contribution	23	125,497	125,497	125,497	125,497
Accumulated profits		40,734	25,801	40,105	31,048
Reserves	24	(19,970)	(19,013)	–	–
Total equity		146,261	132,285	165,602	156,545
LIABILITIES					
Non-current liabilities					
Loans and borrowings	25	469,427	421,806	126,495	114,995
Lease liabilities	25	73,806	76,347	–	–
Deferred tax liabilities		1,180	483	–	–
Asset retirement obligation		6,995	6,971	–	–
		551,408	505,607	126,495	114,995
Current liabilities					
Loans and borrowings	25	24,061	25,487	2,872	2,480
Lease liabilities	25	3,517	3,404	–	–
Trade and other payables	26	37,671	44,046	22,488	22,539
Current tax liabilities		1,981	3,078	–	–
		67,230	76,015	25,360	25,019
Total liabilities		618,638	581,622	151,855	140,014
Total equity and liabilities		764,899	713,907	317,457	296,559

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

**Interim condensed statements of changes in equity
For the six months ended 30 June 2023**

Group	Note	Attributable to owner of the Company			Total equity US\$'000
		Equity contribution US\$'000	Accumulated profits US\$'000	Reserves US\$'000	
At 1 January 2023		125,497	25,801	(19,013)	132,285
Profit for the period		–	16,277	–	16,277
<i>Other comprehensive income</i>					
Foreign currency translation differences		–	–	(1,820)	(1,820)
Foreign currency translation differences of equity-accounted investees		–	–	(481)	(481)
Total comprehensive income for the period		–	16,277	(2,301)	13,976
Reallocation of profits to legal reserve		–	(1,344)	1,344	–
At 30 June 2023		125,497	40,734	(19,970)	146,261

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Interim condensed statements of changes in equity (cont'd)
For the six months ended 30 June 2023

Group	Note	Attributable to owner of the Company			Non-controlling interests US\$'000	Total equity US\$'000
		Equity contribution US\$'000	Accumulated profits US\$'000	Reserves US\$'000		
At 1 January 2022		125,497	(14,836)	5,837	5,501	121,999
Profit for the period		–	42,462	–	292	42,754
Other comprehensive income						
Foreign currency translation differences		–	–	(11,425)	(405)	(11,830)
Foreign currency translation differences of equity-accounted investees		–	–	(4,568)	–	(4,568)
Total comprehensive income for the period		–	42,462	(15,993)	(113)	26,356
Reallocation of profits to legal reserve		–	(124)	124	–	–
Acquisition of non-controlling interests	29	–	(6,212)	–	(5,388)	(11,600)
At 30 June 2022		125,497	21,290	(10,032)	–	136,755

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries**Interim condensed statements of changes in equity (cont'd)
For the six months ended 30 June 2023**

Company	Equity contribution US\$'000	Accumulated profits US\$'000	Total US\$'000
At 1 January 2023	125,497	31,048	156,545
Profit for the period representing total comprehensive income	–	9,057	9,057
At 30 June 2023	125,497	40,105	165,602
At 1 January 2022	125,497	6,452	131,949
Profit for the period representing total comprehensive income	–	27,297	27,297
At 30 June 2022	125,497	33,749	159,246

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries**Interim condensed statements of cash flows
For the six months ended 30 June 2023**

Group	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from operating activities			
Profit before tax		18,991	45,778
Adjustments for:			
Depreciation expense	14,15	10,760	6,020
Amortisation expense	16	455	484
Finance costs	11	7,546	3,322
Finance income	11	(161)	(8)
Change in fair value of financial instruments at FVTPL	12	(1,951)	(6,178)
Unrealised foreign exchange gain		(10,477)	(29,550)
Share of results of equity-accounted investees, net of tax	18	(131)	(4,584)
		25,032	15,284
Changes in:			
- Trade and other receivables		976	(21,555)
- Prepayments and other assets		(3,758)	849
- Trade and other payables		(6,507)	(6,200)
		15,743	(11,622)
Cash generated from/(used in) operating activities		15,743	(11,622)
Tax paid		(3,096)	(568)
		12,647	(12,190)
Cash flows from investing activities			
Purchase of property, plant and equipment		(838)	(85,400)
Distribution from equity-accounted investees	18	1,362	5,479
Acquisition of non-controlling interests	29	-	(11,600)
Interest received		160	8
		684	(91,513)
Net cash generated from/(used in) investing activities			

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries**Interim condensed statements of cash flows (cont'd)
For the six months ended 30 June 2023**

Group	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from financing activities			
Proceeds from drawdown of loans and borrowings:			
- Project finance debts		41,705	120,847
- Loan from a related party		22,929	41,103
Repayment of loans and borrowings:			
- Project finance debts		(6,367)	(2,534)
- Loan from a related party		(1,740)	(32,544)
- Loan from Euro Medium Term Note Issuer		-	(129)
Principal repayment of lease liabilities		(1,962)	(1,052)
Interest paid on:			
- Project finance debts		(5,627)	(1,452)
- Loan from Euro Medium Term Note Issuer		(186)	(276)
- Lease liabilities		(900)	(992)
Payment of transaction costs related to loans and borrowings		(1,022)	(2,414)
Deposits unpledged		(2,002)	37
Net cash generated from financing activities		44,828	120,594
Net increase in cash and cash equivalents		58,159	16,891
Cash and cash equivalents at beginning of period	22	27,097	43,163
Effect of exchange rate fluctuations on cash held		2,868	(4,980)
Cash and cash equivalents at end of period	22	88,124	55,074

- (a) During the financial period, the Group purchased property, plant and equipment amounting to US\$0.8 million (2022: US\$122.6 million), which included the provision for asset retirement obligation of US\$Nil (2022: US\$5.2 million).

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries**Interim condensed statements of cash flows (cont'd)
For the six months ended 30 June 2023**

Company	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from operating activities			
Profit before tax		9,057	27,297
Adjustments for:			
Finance income	11	(11)	(3)
Finance costs	11	880	1,331
Unrealised foreign exchange gain		(9,946)	(28,658)
		(20)	(33)
Changes in:			
- Trade and other receivables		6	-
- Trade and other payables		(52)	15,758
Net cash (used in)/generated from operating activities		(66)	15,725
Cash flows from investing activities			
Capital contribution to a subsidiary		(22,929)	(7,986)
Return of capital from a subsidiary		1,787	48
Interest received		11	3
Net cash used in investing activities		(21,131)	(7,935)
Cash flows from financing activities			
Proceeds from drawdown of loans and borrowings:			
- Loan from a related party		22,929	41,103
Repayment of loans and borrowings:			
- Loan from a related party		(1,740)	(32,544)
- Loan from Euro Medium Term Note Issuer		-	(129)
Interest paid on:			
- Loan from Euro Medium Term Note Issuer		(185)	(276)
Payment of transaction costs related to loans and borrowings		(45)	(132)
Net cash generated from financing activities		20,959	8,022
Net (decrease)/increase in cash and cash equivalents		(238)	15,812
Cash and cash equivalents at beginning of period	22	375	1,391
Cash and cash equivalents at end of period	22	137	17,203

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

1. Domicile and activities

Vena Energy (Taiwan) Holdings Ltd (the “Company”) is incorporated in the Cayman Islands and has its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The interim condensed financial statements of the Group as at and for the six months ended 30 June 2023 comprised the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

The principal activity of the Group is that of developer, owner and operator of renewable energy assets in Taiwan and Philippines.

The immediate holding company and ultimate controlling company of the Group as at 30 June 2023 are GIP Zenith (Taiwan) Ltd and Global Infrastructure Investors III, LLC respectively of which the former is incorporated in the Cayman Islands and the latter is incorporated in Delaware, U.S.A.

2. Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2022.

3. Seasonality in operations

Seasonality in operations for the interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group’s operating results are impacted by external factors, such as resource availability. For example, the power production at the solar plants is directly impacted by seasonal changes in solar irradiance which is normally at its highest during the summer months.

4. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have any material impact on the interim condensed financial statements of the Group.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

5. Use of judgements and estimates

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

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

Measurement of fair values

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 27 financial instruments.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

6. Revenue

The Group's revenue comprises:

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Sale of energy	43,745	29,788

Disaggregation of revenue from contracts with customers

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

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Taiwan Solar	43,745	29,788

Contract balances

Please refer to Note 20 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

7. Operating costs

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Operations and maintenance costs	1,282	666
Utilities and transmission costs	472	543
Professional fees	312	558
Insurance	765	593
Occupancy costs	249	105
Travel and entertainment expenses	74	91
Asset related taxes and levies	816	734
Other general and administrative costs	245	301
	4,215	3,591

Staff costs of US\$0.3 million (2022: US\$0.6 million) is included within operations and maintenance costs.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

8. Other costs of operations

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Revenue sharing	8,523	5,112

Revenue sharing of US\$8.5 million (2022: US\$5.1 million) relates to the amount payable to a local government agency based on a percentage of the gross revenue derived from certain of the Group's operational solar assets.

9. Shared services costs

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Staff costs	949	–
Shared service charges	4,456	2,866
Professional fees	9	–
Other general and administrative costs	54	–
	5,468	2,866

Shared services costs have been incurred in respect of transactions with Vena Energy Pte. Ltd., Vena Energy Pte. Ltd., Taiwan branch and Vena Energy (Thailand) Co., Ltd.

10. Development costs

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Professional fees	5	23
Other general and administrative costs	9	15
	14	38

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

11. Finance income and finance costs

	Group		Company	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Finance income				
Interest income from:				
- Short term deposit	-	3	-	3
- Bank balances	161	4	11	-
- Other finance income	-	1	-	-
Total finance income	161	8	11	3
Finance costs				
Interest expense on:				
- Loan from a related party	(612)	(924)	(612)	(924)
- Loan from Euro Medium Term Note Issuer	(178)	(217)	(178)	(217)
- Project finance debts	(5,701)	(1,377)	-	-
- Lease liabilities	(901)	(286)	-	-
- Other finance costs	(154)	(518)	(90)	(190)
Total finance costs	(7,546)	(3,322)	(880)	(1,331)

Included in other finance costs are deferred financing costs of US\$0.05 million (2022: US\$ 0.04 million) and the unwinding of discount pertaining to asset retirement obligation of US\$0.09 million (2022: US\$ 0.05 million).

12. Change in fair value of financial instruments at FVTPL

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Gain on change in fair value:		
- Interest rate swaps	1,951	6,178

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****13. Profit before tax**

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

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Staff costs		
Salaries	793	347
Bonus	173	142
Contributions to defined contribution plans	46	–
Employee insurance	6	–
Recruitment fees	104	–
Staff benefits, allowances and others	591	70
	1,713	559
	1,713	559

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

14. Property, plant and equipment

Group	Note	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Computer, fitting and fixture and office equipment US\$'000	Assets under construction US\$'000	Vehicles US\$'000	Total US\$'000
Cost							
At 1 January 2022		56	131,657	182	232,255	213	364,363
Additions		1	23,621	30	98,921	48	122,621
Reclassification		–	316,109	1	(316,110)	–	–
Capitalisation of depreciation of right-of-use assets	15	–	–	–	1,914	–	1,914
Effect of exchange rate changes		(7)	(24,350)	(6)	(15,397)	29	(39,731)
<hr/>							
At 31 December 2022		50	447,037	207	1,583	290	449,167
Additions		–	270	6	450	112	838
Reclassification		–	1,108	–	(1,108)	–	–
Effect of exchange rate changes		–	(4,015)	–*	(20)	(4)	(4,039)
<hr/>							
At 30 June 2023		50	444,400	213	905	398	445,966

* Less than US\$1,000

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

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

Group	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Computer, fitting and fixture and office equipment US\$'000	Assets under construction US\$'000	Vehicles US\$'000	Total US\$'000
Accumulated depreciation						
At 1 January 2022	47	12,065	79	–	31	12,222
Depreciation expense	6	13,261	18	–	46	13,331
Effect of exchange rate changes	(6)	(1,331)	(4)	–	(4)	(1,345)
At 31 December 2022	47	23,995	93	–	73	24,208
Depreciation expense	1	8,833	14	–	34	8,882
Effect of exchange rate changes	(1)	(315)	–	–	(1)	(317)
At 30 June 2023	47	32,513	107	–	106	32,773
Carrying amounts						
At 31 December 2022	3	423,042	114	1,583	217	424,959
At 30 June 2023	3	411,887	106	905	292	413,193

As at the reporting date, property, plant and equipment of the Group with carrying amounts of US\$412.0 million (2022: US\$423.0 million) were pledged as collateral to secure project finance debts.

During the financial period, shared services cost charged by a related party, Vena Energy Pte. Ltd., amounting to US\$Nil million (2022: US\$0.2 million) has been capitalised for projects that are yet to reach its commercial operation date.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

15. Right-of-use assets

Group	Note	Land US\$'000
Cost		
At 1 January 2022		89,997
Additions		331
Effect of exchange rate changes		(8,385)
		<hr/>
At 31 December 2022		81,943
Additions		372
Effect of exchange rate changes		(730)
		<hr/>
At 30 June 2023		81,585
		<hr/>
Accumulated depreciation		
At 1 January 2022		8,323
Depreciation expense		1,899
Capitalisation of depreciation	14	1,914
Effect of exchange rate changes		(877)
		<hr/>
At 31 December 2022		11,259
Depreciation expense		1,878
Effect of exchange rate changes		(120)
		<hr/>
At 30 June 2023		13,017
		<hr/>
Carrying amounts		
At 31 December 2022		70,684
		<hr/> <hr/>
At 30 June 2023		68,568
		<hr/> <hr/>

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

16. Intangible assets

Group	Note	Goodwill US\$'000	Project- related agreements and licences US\$'000	Total US\$'000
Cost				
At 1 January 2022		35,595	20,040	55,635
Effect of exchange rate changes		(3,318)	(1,867)	(5,185)
At 31 December 2022		32,277	18,173	50,450
Effect of exchange rate changes		(289)	(162)	(451)
At 30 June 2023		31,988	18,011	49,999
Accumulated amortisation				
At 1 January 2022		–	3,083	3,083
Amortisation expense		–	934	934
Effect of exchange rate changes		–	(314)	(314)
At 31 December 2022		–	3,703	3,703
Amortisation expense		–	455	455
Effect of exchange rate changes		–	(39)	(39)
At 30 June 2023		–	4,119	4,119
Carrying amounts				
At 31 December 2022		32,277	14,470	46,747
At 30 June 2023		31,988	13,892	45,880

Amortisation of project-related agreements and licences will begin on the commercial operation date of the solar photovoltaic plants as defined in the respective power purchase agreements.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

17. Investment in subsidiaries

	Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000
Equity investment, at cost	317,307	296,165

The table below provides a reconciliation of the movement in investment in subsidiaries:

	Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000
Balance at beginning of the period/year	296,165	289,388
Capital injection during the period/year	22,929	8,513
Reduction of interest in a subsidiary	(1,787)	(1,736)
Balance at end of the period/year	317,307	296,165

18. Equity-accounted investees

Interest in associates

	Group	
	30 June 2023 US\$'000	31 December 2022 US\$'000
Interest in associates	52,094	53,806

The Group has a material associate, RA Solar Energy Holdings Inc. and its subsidiaries ("RSEHI"), and an immaterial associate which are equity accounted. RSEHI is based in Philippines, principally engaged as an investment holding and owns 100% of Mirae Asia Energy Corporation ("Project Garcia"). The Group has one out of five representations in the board of directors of RSEHI. The Group has 99.91% economic interest in RSEHI which consist of 40% of voting shares and 99.91% of redeemable preferred shares ("RPS"). RPS are non-convertible, non-voting and are redeemable at the sole option of RSEHI.

The Group has an effective economic interest of 99.97% in Project Garcia through its holdings in RSEHI and the immaterial associate.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

18. Equity-accounted investees (cont'd)

The following summarises the financial information of the Group's material associate based on the financial statements prepared in accordance with IFRS:

	RSEHI	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
<u>Statement of financial position</u>		
Non-current assets		
Property, plant and equipment	20,751	21,629
Other non-current receivables	347	329
Non-current prepayment and other assets	31	31
Right-of-use assets	968	988
	22,097	22,977
Current assets		
Trade and other receivables	4,164	3,800
Prepayments and other assets	127	152
Cash and cash equivalents	1,004	1,146
Tax recoverable	3	-
	5,298	5,098
Total assets	27,395	28,075
Non-current liabilities		
Loans and borrowings	8,692	9,225
Employee benefits	22	22
Asset retirement obligation	149	150
Deferred tax liabilities	20	20
	8,883	9,417
Current liabilities		
Loans and borrowings	993	594
Trade and other payables	806	879
Current tax liabilities	-	431
	1,799	1,904
Total liabilities	10,682	11,321
Net assets	16,713	16,754

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries
**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**
18. Equity-accounted investees (cont'd)

	RSEHI	
	30 June 2023 US\$'000	30 June 2022 US\$'000
<u>Statement of comprehensive income</u>		
Sale of energy	3,223	3,236
Operating costs	(625)	(538)
Shared services costs	(105)	(51)
Depreciation expenses	(694)	(731)
Results from operating activities	1,799	1,916
Finance income	20	34
Finance costs	(282)	(401)
Net foreign exchange gain/(loss)	2	(273)
Net finance costs	(260)	(640)
Gain on disposal of equity-accounted investee	–	6,212
Share of results of an associate	–	293
Profit before tax	1,539	7,781
Tax expense	(35)	(1,739)
Profit after tax, representing total comprehensive income for the period	1,504	6,042
Carrying amount of interest in associates at beginning of the period/year	53,806	62,663
Share of results of associates	1,505	6,894
Distribution	(1,362)	(7,801)
Amortisation expenses of intangibles allocated to associates	(1,374)	(2,783)
Foreign currency translation difference on intangibles allocated to associates	(326)	(3,804)
Foreign currency translation differences	(155)	(1,363)
Carrying amount of interest in associates at end of the period/year¹	52,094	53,806

¹ Included in carrying amount of interest in associate at end of period/year is project-related agreements and licences amounting of US\$34.6 million (2022: US\$36.3 million).

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

19. Derivative assets

	Group	
	30 June 2023 US\$'000	31 December 2022 US\$'000
Derivative assets		
Non-current		
Interest rate swaps	5,811	3,819

20. Trade and other receivables

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Trade receivables		45,978	–	–	–
Contract assets		16,320	59,032	–	–
Total current trade receivables and contract assets		62,298	59,032	–	–
Amounts due from:					
- Subsidiaries	(a)	–	–	11	15
- Related parties	(b)	–	2,905	–	–
- Third parties		991	449	–	–
Deposits and advances		4,499	4,048	–	–
VAT receivable		4,576	7,721	–	–
Total current other receivables		10,066	15,123	11	15
		72,364	74,155	11	15

(a) The amounts due from subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.

(b) The amounts due from related parties are non-trade, unsecured, non-interest bearing and repayable on demand.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

21. Prepayments and other assets

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Prepaid expenses	723	367	2	4
Other assets	4,619	1,242	–	–
	5,342	1,609	2	4

**22. Restricted cash
Cash and bank balances**

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Restricted bank balances	1,334	–	–	–
Current				
Bank balances	99,823	38,128	137	375
Cash and bank balances in the statement of financial position	101,157	38,128	137	375
Restricted bank balances and deposits	(13,033)	(11,031)	–	–
Cash and cash equivalents in the statement of cash flows	88,124	27,097	137	375

23. Equity contribution

	Group and Company	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Equity contribution		
Share capital at US\$0.01 per share	1,254	1,254
Share premium	124,243	124,243
	125,497	125,497
Issued and fully paid		
At beginning and end of the period/year	125,497	125,497

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

24. Reserves

The reserves of the Group comprise the following balances:

	Group	
	30 June 2023 US\$'000	31 December 2022 US\$'000
Translation reserve	(22,006)	(19,705)
Legal reserve	2,036	692
	(19,970)	(19,013)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Legal reserve

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

25. Loans and borrowings and lease liabilities

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current					
Project finance debts		342,932	306,811	–	–
Loan from a related party		99,095	85,400	99,095	85,400
Loan from Euro Medium Term Note Issuer		27,400	29,595	27,400	29,595
		469,427	421,806	126,495	114,995
Lease liabilities		73,806	76,347	–	–

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Note	Group		Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Current				
Project finance debts	20,918	22,730	–	–
Interest payables on:				
- Project finance debts	271	277	–	–
- Loan from a related party	2,759	2,358	2,759	2,358
- Loan from Euro Medium Term Note Issuer	113	122	113	122
	24,061	25,487	2,872	2,480
Lease liabilities	3,517	3,404	–	–

- (a) On 27 February 2020, a related company, Vena Energy Capital Pte. Ltd. (“Euro Medium Term Note Issuer”), issued US\$325,000,000 3.133% per annum notes (the “US\$325 million Notes”) due in 2025 listed on Singapore Exchange Securities Trading Limited (“SGX-ST”) under a \$1 billion Global Medium Term Note Programme (the “Notes Programme”). The US\$325 million Notes bear interest at the rate of 3.133% per annum from and including 26 February 2020, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2020. The Notes will mature on 26 February 2025.

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

The Notes proceeds were allocated to the Company, Vena Energy Holdings Ltd and Zenith Japan Holdings Ltd (as trustee for Zenith Japan Holdings Trust) through intercompany loans.

The due and punctual payment of all sums payable by Vena Energy Capital Pte. Ltd. from time to time in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Company together with Vena Energy Holdings Ltd and Zenith Japan Holdings Ltd (as trustee for Zenith Japan Holdings Trust).

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

(a) (cont'd)

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

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Project finance debts	347,459	311,558	–	–
Loan from a related party	99,095	85,400	99,095	85,400
Loan from Euro Medium Term Note Issuer	27,551	29,791	27,551	29,791
	474,105	426,749	126,646	115,191
Current				
Project finance debts	22,196	24,047	–	–
	496,301	450,796	126,646	115,191

	Currency	Nominal interest rate %	Year of maturity	Principal amount US\$'000
30 June 2023				
Project finance debts	NTD	TAIBOR+1.5 to 1.7	2033 to 2040	369,655
Loan from a related party	JPY	1.4	2024	99,095
Loan from Euro Medium Term Note Issuer	JPY	1.4	2026	22,360
Loan from Euro Medium Term Note Issuer	JPY	0.6	2026	5,191
				496,301
31 December 2022				
Project finance debts	NTD	TAIBOR+1.5 to 1.7	2033 to 2040	335,605
Loan from a related party	JPY	1.4	2024	85,400
Loan from Euro Medium Term Note Issuer	JPY	1.4	2026	24,178
Loan from Euro Medium Term Note Issuer	JPY	0.6	2026	5,613
				450,796

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

The project finance debts contain debt covenants which are tested on a regular basis. A breach of these covenants may require the Group to repay the project finance debts earlier than indicated in the table above. The Group has not breached any debt covenants as at 30 June 2023.

As at 31 December 2022, a subsidiary of the Group did not meet the loan covenant requirements in respect of a bank loan with a carrying amount of US\$9.0 million, resulting in the loan being repayable on demand. Accordingly, the bank loan was presented as a current liability as at 31 December 2022. During the current financial period, the subsidiary and bank have agreed to revise the covenant requirements. As at 30 June 2023, the Group has assessed that the subsidiary has complied with the revised loan covenants and the bank loan was re-classified as a non-current liability.

As at 30 June 2023, project finance debts amounting to US\$369.7 million (2022: US\$335.6 million) has been taken up by the subsidiaries of the Company where these debt obligations have no recourse to the Company.

Pledges for facility agreements

The Group has entered into several facility agreements with various financial institutions. Under these agreements, these financial institutions provide project financing debts of US\$369.7 million (2022: US\$335.6 million) to the Group on floating rates.

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

The Group's assets directly pledged in relation to the facility agreements are as disclosed in Notes 14. The indirect pledge over the Group's consolidated net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Project entities' contribution to the net assets of the Group	143,143	132,285

Stand-by letter of credit

As at 31 December 2022, the Group has obtained stand-by letters of credit ("SBLC") which totaled to US\$ 9.6 million and expire in April 2023. The SBLC bears interest at 0.95% per annum.

As at 30 June 2023, there were no SBLC being obtained.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

26. Trade and other payables

	Note	Group		Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Trade payables to Engineering, Procurement and Construction ("EPC") contractors		1,636	14,430	–	–
Amounts due to:					
- Subsidiaries	(a)	–	–	22,449	22,449
- Related parties	(b)	1,495	5,358	–	50
- Third parties		701	1,095	–	–
Shared services fees payables (non-trade)		7,199	5,644	–	–
Other tax payables		668	607	–	–
Accrued staff costs		68	22	–	–
Accrued operating expenses		25,904	16,890	39	40
		37,671	44,046	22,488	22,539

Trade payables are non-interest bearing and are generally settled on standard credit terms ranging from 30 to 60 days (2022: 30 to 60 days).

- (a) The amounts due to subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.
- (b) The amounts due to related parties are non-trade, unsecured, non-interest bearing and repayable on demand.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

27. Fair value of financial instruments

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Interest rate swaps	<i>Swap models</i> : The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

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

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value

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

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

Group	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
30 June 2023									
Trade and other receivables*	20	–	67,788	–	67,788				
Restricted cash	22	–	1,334	–	1,334				
Cash and bank balances	22	–	99,823	–	99,823				
Derivative assets	19	5,811	–	–	5,811	–	5,811	–	5,811
		5,811	168,945	–	174,756				
Loans and borrowings	25	–	–	(493,488)	(493,488)	–	(499,444)	–	(499,444)
Trade and other payables*	26	–	–	(37,003)	(37,003)				
		–	–	(530,491)	(530,491)				

* Excludes non-financial assets and liabilities

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

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

Accounting classification and fair value (cont'd)

Group	Note	Carrying amount				Fair value			
		Mandatorily at FVTPL US\$'000	Amortised Cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
31 December 2022									
Trade and other receivables*	20	–	66,434	–	66,434				
Restricted cash	22	–	3,990	–	3,990				
Cash and bank balances	22	–	34,138	–	34,138				
Derivatives assets	19	3,819	–	–	3,819	–	3,819	–	3,819
		3,819	104,562	–	108,381				
Loans and borrowings	25	–	–	(447,293)	(447,293)	–	(453,553)	–	(453,553)
Trade and other payables*	26	–	–	(43,439)	(43,439)				
		–	–	(490,732)	(490,732)				

* Excludes non-financial assets and liabilities

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

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

Accounting classification and fair value (cont'd)

Company	Note	Carrying amount				Fair value			
		Mandatorily at FVTPL US\$'000	Amortised Cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
30 June 2023									
Trade and other receivables	20	–	11	–	11				
Cash and bank balances	22	–	137	–	137				
		–	148	–	148				
Loans and borrowings	25	–	–	(129,367)	(129,367)	–	(129,518)	–	(129,518)
Trade and other payables*	26	–	–	(22,488)	(22,488)				
		–	–	(151,855)	(151,855)				

* Excludes non-financial assets and liabilities

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

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

Accounting classification and fair value (cont'd)

Company	Note	Carrying amount				Fair value			
		Mandatorily at FVTPL US\$'000	Amortised Cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
31 December 2022									
Trade and other receivables		–	15	–	15				
Cash and bank balances	22	–	375	–	375				
		–	390	–	390				
Loans and borrowings	25	–	–	(117,475)	(117,475)	–	(117,671)	–	(117,671)
Trade and other payables*	26	–	–	(22,539)	(22,539)				
		–	–	(140,014)	(140,014)				

* Excludes non-financial assets and liabilities

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

28. Related parties

The Group has determined Vena Energy Holdings Ltd and its subsidiaries (“VEHL Group”) and Zenith Japan Holdings Trust and its subsidiaries (“ZJHT Group”) as related parties in accordance with IAS 24 *Related Party Disclosures*.

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

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial period:

	30 June 2023	30 June 2022
	US\$'000	US\$'000
Related parties		
Shared services costs	4,456	2,866
Management fee expense	100	100
Interest expense	612	924
	<hr/> <hr/>	<hr/> <hr/>
Euro Medium Term Note Issuer		
Interest expense	178	217
	<hr/> <hr/>	<hr/> <hr/>

29. Acquisition of non-controlling interests

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

	30 June 2022
	US\$'000
Cash consideration paid	11,600
Carrying value of the additional interest	(5,388)
	<hr/>
Difference recognised in equity	6,212
	<hr/> <hr/>

Vena Energy (Taiwan) Holdings Ltd and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

30. Commitments

Capital commitment

The commitments for acquisition of property, plant and equipment are as follows:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Construction of power plant	6,628	15,844

31. Subsequent event

Investment in a subsidiary

From July 2023 to August 2023, the Company subscribed to 1,045,000 ordinary shares of US\$1.00 each amounting to US\$1,045,000 in Vena Energy (Taiwan) Ltd, a wholly owned subsidiary of the Company.

From July 2023 to August 2023, the Company reduced its investment in Vena Energy (Taiwan) Ltd by US\$326,160 by way of share buyback.

Share capital

In August 2023, the following transactions took place:

- (a) Vena Energy (Taiwan) Holdings Ltd consolidated its 125,497,349 issued ordinary shares each with a par value of US\$0.01 at a ratio of 100:1. Effectively reducing the number of issued shares to 1,254,973 each with a par value of US\$1.00; and
- (b) Vena Energy (Taiwan) Holdings Ltd utilized US\$124.2 million from its share premium to issue new fully paid shares to its shareholders.

Credit facilities agreement

In August 2023, Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust (collectively known as "Borrowers") entered into a multicurrency unfunded green letter credit facilities agreement of an aggregate principal amount of US\$550,000,000 (the "Facilities Agreement"). The Borrowers jointly and severally act as guarantors to this Facilities Agreement.

32. Authorisation of financial statements for issue

The interim condensed financial statements for the period 1 January 2023 to 30 June 2023 were authorised for issue in accordance with a resolution of the directors passed on 31 August 2023.

Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Financial Statements
For the six months ended 30 June 2023



Zenith Japan Holdings Trust and its Subsidiaries

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Zenith Japan Holdings Trust and its Subsidiaries

Statement by Directors of the Trustee

Opinion of the Directors

In the opinion of the Directors of Zenith Japan Holdings Ltd (the "Trustee"):

- (a) the accompanying interim condensed financial statements of Zenith Japan Holdings Trust (the "Trust") and its subsidiaries (collectively, the "Group"), comprising the condensed consolidated statement of financial position of the Group and the condensed statement of financial position of the Trust as at 30 June 2023, the condensed consolidated statements of profit or loss, comprehensive income, changes in unitholder's fund and cash flows of the Group, and the condensed statements of profit or loss, comprehensive income, changes in unitholder's fund and cash flows of the Trust for the six months period then ended, and notes to the interim condensed financial statements, including material accounting policy information, are prepared in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to pay its debts as and when they fall due.

The Board of Directors of the Trustee has, on the date of this statement, authorised the interim condensed financial statements for issue.

On behalf of the Board of Directors of the Trustee,

DocuSigned by:

54143219ADB2446...

Gregg Myers
Director

31 August 2023

Zenith Japan Holdings Trust and its Subsidiaries

Independent Auditor's Report For the six months ended 30 June 2023

The Trustee
Zenith Japan Holdings Trust

Report on the review of the interim condensed financial statements

Introduction

We have reviewed the accompanying interim condensed financial statements of Zenith Japan Holdings Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the condensed consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 30 June 2023, the condensed consolidated statements of profit or loss, comprehensive income, changes in unitholder's fund and cash flows of the Group and the condensed statements of profit or loss, comprehensive income, changes in unitholder's fund and cash flows of the Trust for the six months period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of the interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. Our responsibility is to express a conclusion on the interim condensed financial statements based on our review.

Scope of review

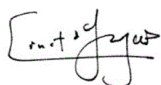
We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements as at and for the six months ended 30 June 2023 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Restriction on distribution and use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim condensed financial statements for the purpose of reporting to external counterparties for existing bonds issued and for no other purpose. Our report will be made available by you to the existing bond holders and the potential bond investors for their information only. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

31 August 2023

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Profit or Loss
For the six months ended 30 June 2023**

		Group		Trust	
	Note	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Revenue	6	91,790	75,012	–	4,866
Other income	6	3,914	489	–	–
Total revenue		95,704	75,501	–	4,866
Operating costs	7	(18,512)	(14,350)	(94)	(74)
Asset management fees	8	(1,965)	(2,004)	–	–
Development costs	9	(236)	(384)	–	–
Depreciation expense	11,12	(24,660)	(21,095)	–	–
Amortisation expense	13	(16,474)	(16,884)	–	–
Results from operating activities		33,857	20,784	(94)	4,792
Finance income	10	1,441	788	1,400	788
Finance costs	10	(10,412)	(6,749)	(1,238)	(1,669)
Change in fair value of financial instruments at fair value through profit or loss (“FVTPL”)		(20,827)	13,721	–	–
Net foreign exchange (loss)/gain		(5,810)	11,041	(9,932)	8,021
Net finance (loss)/income		(35,608)	18,801	(9,770)	7,140
Gain from disposal of property, plant and equipment		73	–	–	–
Acquisition-related costs		–	(5)	–	–
Gain from transfer of Tokumei Kumiai (“TK”) interests	14	556	–	–	–
Share of results of equity-accounted investees, net of tax	15	1,461	4,147	–	–
Profit/(loss) before tax		339	43,727	(9,864)	11,932
Tax expense		(2,074)	(1,143)	–	–
(Loss)/profit for the period		(1,735)	42,584	(9,864)	11,932
(Loss)/profit attributable to:					
Unitholder of the Trust		(1,856)	42,283	(9,864)	11,932
Non-controlling interests		121	301	–	–
		(1,735)	42,584	(9,864)	11,932

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Comprehensive Income
For the six months ended 30 June 2023**

	Note	Group		Trust	
		30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
(Loss)/profit for the period		(1,735)	42,584	(9,864)	11,932
Other comprehensive income ("OCI")					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		(102,739)	(268,925)	–	–
Foreign currency translation differences of equity-accounted investees	15	(5,191)	(9,582)	–	–
Foreign currency translation differences on transfer of TK interests reclassified to profit and loss		304,058	–	–	–
Other comprehensive income for the period		196,128	(278,507)	–	–
Total comprehensive income for the period		194,393	(235,923)	(9,864)	11,932
Total comprehensive income attributable to:					
Unitholder of the Trust		195,442	(233,730)	(9,864)	11,932
Non-controlling interests		(1,049)	(2,193)	–	–
		194,393	(235,923)	(9,864)	11,932

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Financial Position
As at 30 June 2023**

	Note	Group		Trust	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	3,855	1,399,389	–	–
Right-of-use assets	12	7,400	216,297	–	–
Intangible assets	13	–	990,019	–	–
Investment in subsidiaries	14	–	–	391,139	1,729,716
Equity-accounted investees	15	64,215	67,945	–	–
Other investments	16	57,113	–	–	–
Loans receivables	17	258,751	180,459	258,751	180,459
Prepayments and other assets	18	649	5,289	–	–
Trade and other receivables	19	226	42,046	–	–
Derivative assets	23	–	18,146	–	–
		392,209	2,919,590	649,890	1,910,175
Current assets					
Loans receivables	17	1,481	161	1,481	161
Prepayments and other assets	18	1	8,055	–	–
Trade and other receivables	19	1,956	44,179	–	–
Cash and bank balances	20	684	177,335	159	23,267
		4,122	229,730	1,640	23,428
Assets held for sale	27	560,056	–	–	–
		564,178	229,730	1,640	23,428
Total assets		956,387	3,149,320	651,530	1,933,603
Unitholder's fund					
Units in issue	21	453,335	1,712,182	453,335	1,712,182
Accumulated profits		105,609	106,965	29,793	39,657
Reserves		(21,021)	(295,698)	–	–
Reserves of a disposal group held for sale	28	(77,379)	–	–	–
Equity attributable to unitholder of the Trust		460,044	1,523,449	483,128	1,751,839
Non-controlling interests	29	3,487	16,433	–	–
Total unitholder's fund		463,531	1,539,882	483,128	1,751,839

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Financial Position (cont'd)
As at 30 June 2023**

	Note	Group		Trust	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
LIABILITIES					
Non-current liabilities					
Loans and borrowings	22	167,651	1,150,171	167,651	181,057
Lease liabilities	22	7,419	215,042	–	–
Asset retirement obligation		–	54,350	–	–
Trade and other payables	24	–	514	–	–
		175,070	1,420,077	167,651	181,057
Current liabilities					
Loans and borrowings	22	989	107,442	593	642
Lease liabilities	22	241	5,325	–	–
Trade and other payables	24	7,170	76,502	158	65
Current tax liabilities		–	92	–	–
		8,400	189,361	751	707
Liabilities directly associated with the assets held for sale	27	309,386	–	–	–
		317,786	189,361	751	707
Total liabilities		492,856	1,609,438	168,402	181,764
Total equity and liabilities		956,387	3,149,320	651,530	1,933,603

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

Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Statements of Changes in Unitholder's Fund
For the six months ended 30 June 2023

Group	Note	Attributable to unitholder of the Trust						
		Units in issue US\$'000	Accumulated profits US\$'000	Translation reserves US\$'000	Reserves of a disposal group held for sale US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total US\$'000
At 1 January 2023		1,712,182	106,965	(295,698)	–	1,523,449	16,433	1,539,882
Total comprehensive income for the period								
Profit for the period		–	(1,856)	–	–	(1,856)	121	(1,735)
Other comprehensive income								
Foreign currency translation differences		–	–	202,489	–	202,489	(1,170)	201,319
Foreign currency translation differences of equity-accounted investees	15	–	–	(5,191)	–	(5,191)	–	(5,191)
Total comprehensive income for the period		–	(1,856)	197,298	–	195,442	(1,049)	194,393
Transactions with unitholder, recognised directly in equity								
Distributions to unitholder								
Redemption of units	21	(1,258,847)	–	–	–	(1,258,847)	–	(1,258,847)
Total distributions of unitholder		(1,258,847)	–	–	–	(1,258,847)	–	(1,258,847)

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Changes in Unitholder's Fund (cont'd)
For the six months ended 30 June 2023**

Group	Note	Attributable to unitholder of the Trust				Total US\$'000	Non- controlling interests US\$'000	Total US\$'000
		Units in issue US\$'000	Accumulated profits US\$'000	Translation reserves US\$'000	Reserves of a disposal group held for sale US\$'000			
Changes in ownership interests in subsidiaries								
Transfer of TK interests with non-controlling interests		-	-	-	-	-	(11,897)	(11,897)
Total transactions with unitholder		-	-	-	-	-	(11,897)	(11,897)
Others								
Reserves of disposal group held for sale	27	-	-	77,379	(77,379)	-	-	-
Total others		-	-	77,379	(77,379)	-	-	-
At 30 June 2023		453,335	105,109	(21,021)	(77,379)	460,044	3,487	463,531

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

Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Statements of Changes in Unitholder's Fund (cont'd) For the six months ended 30 June 2023

Group	Note	Attributable to unitholder of the Trust			Non-controlling interests US\$'000	Total US\$'000	
		Units in issue US\$'000	Accumulated profits US\$'000	Translation reserves US\$'000			Total US\$'000
At 1 January 2022		1,712,182	39,204	(45,993)	1,705,393	15,884	1,721,277
Total comprehensive income for the period							
Profit for the period		–	42,283	–	42,283	301	42,584
Other comprehensive income							
Foreign currency translation differences		–	–	(266,431)	(266,431)	(2,494)	(268,925)
Foreign currency translation differences of equity-accounted investees	15	–	–	(9,582)	(9,582)	–	(9,582)
Total comprehensive income for the period		–	42,283	(276,013)	(233,730)	(2,193)	(235,923)
Transactions with unitholder, recognised directly in equity							
Changes in ownership interests in subsidiaries							
Issue of ordinary shares without a change in control		–	–	–	–	361	361
Total transactions with unitholder		–	–	–	–	361	361
At 30 June 2022		1,712,182	81,487	(322,006)	1,471,663	14,052	1,485,715

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Changes in Unitholder's Fund (cont'd)
For the six months ended 30 June 2023**

Trust	Units in issue US\$'000	Accumulated profits US\$'000	Total US\$'000
At 1 January 2023	1,712,182	39,657	1,751,839
Total comprehensive income for the period	–	(9,864)	(9,864)
Transactions with unitholder, recognized directly in equity			
<i>Distributions to unitholder</i>			
Redemption of units (Note 21)	(1,258,847)	–	(1,258,847)
At 30 June 2023	453,335	29,793	483,128
At 1 January 2022	1,712,182	17,310	1,729,492
Total comprehensive income for the period	–	11,932	11,932
At 30 June 2022	1,712,182	29,242	1,741,424

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Cash Flows
For the six months ended 30 June 2023**

Group	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from operating activities			
Profit before tax		339	43,727
Adjustments for:			
Depreciation expense	11,12	24,660	21,095
Amortisation expense	13	16,474	16,884
Gain on disposal of property, plant and equipment		(73)	–
Net changes in fair value of financial instruments at FVTPL		20,827	(13,721)
Gain on transfer of TK interests		(556)	–
Finance income	10	(1,441)	(788)
Finance costs	10	10,412	6,749
Share of results of equity-accounted investees, net of tax	15	(1,461)	(4,147)
Unrealised foreign exchange loss / (gain)		5,481	(12,520)
		74,662	57,279
Changes in:			
- Trade and other receivables		7,324	2,988
- Prepayments and other assets		6,887	2,199
- Trade and other payables		(13,710)	8,192
		75,163	70,658
Cash generated from operating activities			
Tax paid		(2,162)	(1,741)
		73,001	68,917
Cash flows from investing activities			
Transfer of TK interests	14	(124,240)	–
Investment in equity-accounted investees	15	–	(7,589)
Investment in equity investments		(27,426)	–
Purchase of property, plant and equipment		(99,433)	(105,429)
Disbursement of loan to related party		(147,138)	(81,047)
Disbursement of equity investment		137	–
Proceeds from repayment of loan receivable from related party		49,717	21,204
Proceeds from sale of property, plant and equipment		40	16
Interest received		41	490
		(348,302)	(172,355)

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Cash Flows (cont'd)
For the six months ended 30 June 2023**

Group	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from financing activities			
Subscriptions received from non-controlling interests		474	361
Proceeds from drawdown of loans and borrowings			
- Project finance debts		202,275	36,234
Repayment of loans and borrowings			
- Project finance debts		(31,165)	(13,636)
- Loan from related parties		(4,350)	-
Payment of lease liabilities		(1,318)	(1,414)
Transaction costs related to loans and borrowings			
- Project finance debts		-	(1,137)
- Loan from Euro Medium Term Note Issuer		-	(1,827)
Interest paid			
- Project finance debts		(6,106)	(4,395)
- Loan from related party		(47)	-
- Loan from Euro Medium Term Note Issuer		(971)	(2,258)
- Lease liabilities		(198)	(247)
- Net interest paid for derivatives		(2,041)	(1,031)
Deposits pledged		92,328	(6,072)
Net cash generated from financing activities		248,881	4,578
Net decrease in cash and cash equivalents		(26,420)	(98,860)
Cash and cash equivalents at beginning of period		73,401	157,936
Effect of exchange rate fluctuations on cash held		(14,454)	(750)
Cash and cash equivalents at end of period	20	32,527	58,326

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

Zenith Japan Holdings Trust and its Subsidiaries**Interim Condensed Statements of Cash Flows (cont'd)
For the six months ended 30 June 2023**

Trust	Note	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash flows from operating activities			
(Loss)/profit before tax		(9,864)	11,932
Adjustments for:			
Dividend income	6	–	(4,866)
Finance income	10	(1,400)	(788)
Finance costs	10	1,238	1,669
Unrealised foreign exchange loss/(gain)		5,477	(10,962)
		(4,549)	(3,015)
Changes in:			
- Trade and other payables		91	(186)
Net cash used in operating activities		(4,458)	(3,201)
Cash flows from investing activities			
Distribution from subsidiary:			
- Dividend income		–	4,866
- Redemption of units	14	155,654	22,549
Capital contribution to subsidiary	14	(75,925)	(82,248)
Disbursement of loan to related party		(147,138)	(81,047)
Proceeds from repayment of loan receivable from related party		49,717	21,204
Interest received		–	489
Net cash used in investing activities		(17,692)	(114,187)
Cash flows from financing activities			
Advances from subsidiary		–	4,409
Interest paid to loans and borrowings:			
- Loan from Euro Medium Term Note Issuer		(971)	(2,258)
Payment of transaction costs related to loan from Euro Medium Term Note Issuer		–	(1,827)
Net cash (used in)/generated from financing activities		(971)	324
Net decrease in cash and cash equivalents		(23,121)	(117,064)
Cash and cash equivalents at beginning of period		23,267	119,048
Effect of exchange rate fluctuations on cash held		13	(1,390)
Cash and cash equivalents at end of period	20	159	594

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

Zenith Japan Holdings Trust and its Subsidiaries

Interim Condensed Statements of Cash Flows (cont'd) For the six months ended 30 June 2023

Significant non-cash transactions

In June 2023, the Group transferred part of TK interests in certain Tokumei Kumiai investments (Note 14) and equity investments (Note 16) to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of Vena Energy Holdings Ltd ("VEHL") for a total purchase consideration of US\$1.3 billion. The payment for this transaction was to be fulfilled by APAC via the issuance of a Promissory Note to the Trust's subsidiary, Zenith Japan Trust ("ZJT").

Through a series of redemptions which were satisfied in kind by the assignment of the rights to receive payment under the Promissory Note, the benefits of the Promissory Note were up streamed to the Trust and then to the unitholder of the Trust. This led to:

- (a) the redemption of 1,225,092,424 units at an average price of US\$1.03 per unit by the Trust in ZJT, totalling US\$1.3 billion; and
- (b) the redemption of 1,236,460,043 units at an average price of US\$1.02 per unit by the unitholder, totalling US\$1.3 billion (Note 21).

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

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements For the six months ended 30 June 2023

1. Domicile and activities

(i) Trust

Zenith Japan Holdings Trust (the "Trust") is constituted in the island of Guernsey under the trust deed dated 18 October 2017 and has the registered office at Level 3, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ.

The interim condensed financial statements of the Group as at and for the six months ended 30 June 2023 comprised the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activity of the Group is to invest in renewable energy assets via Tokumei Kumiai ("TK") agreements in Japan.

Zenith Japan Ltd in its capacity as Trustee of Zenith Trust, is the sole unitholder in the Trust.

(ii) Trustee

Zenith Japan Holdings Ltd is the trustee (the "Trustee") of Zenith Japan Holdings Trust. The Trustee shall manage and administer the Trust and the Trust Fund in accordance with the trust instrument and shall exercise all powers, duties and discretions exercisable under the Trust or conferred by law.

(iii) Asset Management Agreement

Nippon Renewable Energy K.K., Nippon Wind Energy K.K. and SPC Asset Management Inc. (each, the "Asset Manager") enters into the asset management agreements with the Group entities to manage the asset and business of the Group entities and in return to receive the asset management fees.

(iv) Operations & Maintenance ("O&M") Agreement

NRE Operations K.K. (the "O&M Provider") enters into the O&M agreements with the Group entities to provide the relevant operation and maintenance services to the Group entities.

2. Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2022.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements For the six months ended 30 June 2023

3. Seasonality in operations

Seasonality in operations for the interim period results are not necessarily indicative of results of operations or cash flows for an annual period. The Group's operating results are impacted by external factors, such as resource availability. For example, the power production at the solar plants is directly impacted by seasonal changes in solar irradiance which is normally at its highest during the summer months in Japan.

4. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed financial statements of the Group.

4.1 Additional significant accounting policies

Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset 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.

Immediately before the initial classification of the asset as held for sale, the carrying amounts of the asset is measured in accordance with fair value less cost of disposal.

Fixed assets are not depreciated once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

The carrying amounts of assets held for sale are disclosed in Note 27.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements For the six months ended 30 June 2023

5. Use of judgements and estimates

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

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

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

- Note 26 – fair value measurement of financial instruments measured at fair value through profit or loss and through other comprehensive income.

Measurement of fair values

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 25 Fair value of financial instruments.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements For the six months ended 30 June 2023

6. Revenue and other income

The Group's and the Trust's revenue and other income comprises:

	Group		Trust	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
<u>Revenue:</u>				
Sale of energy (over time)	91,790	75,012	–	–
Dividend income (point in time)	–	–	–	4,866
	<hr/> 91,790	<hr/> 75,012	<hr/> –	<hr/> 4,866
<u>Other income:</u>				
Insurance claims	3,914	484	–	–
Others	–	5	–	–
	<hr/> 3,914	<hr/> 489	<hr/> –	<hr/> –
	<hr/> 95,704	<hr/> 75,501	<hr/> –	<hr/> 4,866

Disaggregation of revenue from contracts with customers

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

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Japan Solar	81,050	70,216
Japan Wind	10,740	4,796
	<hr/> 91,790	<hr/> 75,012

Contract balances

Please refer to Note 19 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy which have not been billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements For the six months ended 30 June 2023

7. Operating costs

	Group		Trust	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Operations and maintenance costs	7,315	6,261	–	–
Asset related tax and levies	6,396	4,744	–	–
Site office maintenance costs	3	9	–	–
Professional fees	908	788	34	14
Asset related insurance	2,783	1,746	–	–
Utilities and transmission costs	779	551	–	–
Outsourced accounting fees	120	120	60	60
Other general and administrative costs	208	131	–	–*
	18,512	14,350	94	74

* Amount less than US\$1,000

8. Asset management fees

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Asset management fees	1,965	2,004

In accordance with the Asset Management Agreements, for each accounting period, the Asset Managers who are related parties of the Group, shall be entitled to receive an annual fee equal to the sum of:

- (i) The actual reasonable expenses incurred by the Asset Managers on their own accounts for the performance of the Services (as opposed to expenses incurred on behalf of the Godo Kaishas (“GKs”)) to the extent falling within the Operating Budget, and
- (ii) 10% of the amount in (i) or the maximum asset management fees, as agreed.

Services are defined within the Asset Management Agreement as general duties performed by the Asset Managers within reasonable requirements of GK in connection with the management of the Assets and the Business and the performance of the services as are customarily provided by managers of properties of comparable class and standing; and do all such other things as may reasonably and properly be required to be within the scope of the Asset Managers’ duties to GKs relating to the management of the Assets and the Business and the performance of the Services.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements For the six months ended 30 June 2023

9. Development costs

	Group	
	30 June 2023 US\$'000	30 June 2022 US\$'000
Professional fees	112	228
Business related taxes	73	37
Insurance	1	–
Other general and administrative costs	50	119
	236	384

10. Finance income and finance costs

	Group		Trust	
	30 June 2023 US\$'000	30 June 2022 US\$'000	30 June 2023 US\$'000	30 June 2022 US\$'000
Finance income				
Interest income on:				
- Loan to related parties	1,400	775	1,400	775
- Others	41	13	–	13
Total finance income	1,441	788	1,400	788
Finance costs				
Interest expense on:				
- Loan from related parties	(20)	(28)	–	–
- Loan from Euro Medium Term Note Issuer	(1,238)	(1,669)	(1,238)	(1,669)
- Bond with O&M Provider	(1)	(1)	–	–
- Project finance debts	(4,404)	(2,847)	–	–
- Interest rate swaps	(2,041)	(1,031)	–	–
- Lease liabilities	(443)	(422)	–	–
Other finance costs	(2,265)	(751)	–	–
Total finance costs	(10,412)	(6,749)	(1,238)	(1,669)

Included in other finance costs are deferred financing costs of US\$1.8 million (2022: US\$0.6 million) and unwinding of discount of asset retirement obligation of US\$0.5 million (2022: US\$0.1 million).

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements For the six months ended 30 June 2023

11. Property, plant and equipment

Group	Note	Freehold land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Computer US\$'000	Assets under construction US\$'000	Total US\$'000
Cost							
At 1 January 2022		26,624	13	914,087	–	406,787	1,347,511
Additions		105	–	37,659	46	333,490	371,300
Reclassification		–	–	352,947	–	(352,947)	–
Reclassification into intangible assets	13	(7,460)	–	–	–	–	(7,460)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	12	–	–	–	–	4,602	4,602
Disposal		(1,895)	–	(131)	–	–	(2,026)
Write-off	(a)	(18)	–	(856)	–	(12,793)	(13,667)
Effect of exchange rate changes		(3,618)	(1)	(128,284)	(1)	(55,935)	(187,839)
At 31 December 2022		13,738	12	1,175,422	45	323,204	1,512,421
Additions		54	18	15,705	5	73,550	89,332
Reclassification		–	–	31,294	–	(31,294)	–
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	12	–	–	–	–	1,924	1,924
Disposal		(15)	–	(289)	–	–	(304)
Transfer of TK interests	14	(9,804)	(11)	(860,368)	(42)	(318,170)	(1,188,395)
Assets held for sale	27	(2,804)	(17)	(274,536)	(4)	(18,879)	(296,240)
Effect of exchange rate changes		(1,035)	(2)	(87,228)	(4)	(26,614)	(114,883)
At 30 June 2023		134	–	–	–	3,721	3,855

(a) Included US\$5.0 million as “write-off of project costs” in profit or loss.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the Interim Condensed Financial Statements
For the six months ended 30 June 2023

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

Group	Note	Freehold land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Computer US\$'000	Assets under construction US\$'000	Total US\$'000
Accumulated depreciation							
At 1 January 2022		–	1	86,732	–	–	86,733
Depreciation expense		–	–*	39,455	–*	–	39,455
Disposal		–	–	(11)	–	–	(11)
Write-off		–	–	(55)	–	–	(55)
Effect of exchange rate changes		–	1	(13,091)	–	–	(13,090)
At 31 December 2022		–	2	113,030	–*	–	113,032
Depreciation expense		–	–*	22,813	–*	–	22,813
Disposal		–	–	(36)	–	–	(36)
Transfer of TK interests	14	–	(2)	(89,801)	–	–	(89,803)
Assets held for sale	27	–	–	(36,876)	–*	–	(36,876)
Effect of exchange rate changes		–	–	(9,130)	–*	–	(9,130)
At 30 June 2023		–	–	–	–	–	–
Carrying amounts							
At 31 December 2022		13,738	10	1,062,392	45	323,204	1,399,389
At 30 June 2023		134	–	–	–	3,721	3,855

* Amount less than US\$1,000

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****11. Property, plant and equipment (cont'd)**

As at the reporting date, no amounts of property, plant and equipment were pledged. As at 31 December 2022, property, plant and equipment of the Group with carrying amounts of US\$884.6 million were pledged as collateral to secure project finance debts.

During the six months period ended 30 June 2023, no asset management fee expenses and engineering, procurement and construction (“EPC”) expenses charged by related parties of the Group were capitalised. During the six month period ended 30 June 2022, asset management fee expenses and EPC expenses charged by related parties of the Group, amounting to US\$14.0 million have been capitalised for projects that have yet to reach their commercial operation dates.

12. Right-of-use assets

Group	Note	Land US\$'000	Office US\$'000	Total US\$'000
Cost				
At 1 January 2022		249,234	91	249,325
Additions		25,501	–	25,501
Lease modification		(2,743)	193	(2,550)
Effect of exchange rate changes		(34,499)	(14)	(34,513)
<hr/>				
At 31 December 2022		237,493	270	237,763
Additions		12,976	–	12,976
Transfer of TK interests	14	(173,145)	(35)	(173,180)
Assets held for sale	27	(50,740)	(216)	(50,956)
Effect of exchange rate changes		(18,363)	(19)	(18,382)
<hr/>				
At 30 June 2023		8,221	–	8,221
<hr/>				

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Group	Note	Land US\$'000	Office US\$'000	Total US\$'000
Accumulated depreciation				
At 1 January 2022		16,042	–	16,042
Depreciation expense		3,317	12	3,329
Lease modification		(327)	27	(300)
Capitalisation of depreciation of right-of-use assets into property, plant and equipment	11	4,589	13	4,602
Effect of exchange rate changes		(2,206)	(1)	(2,207)
<hr/>				
At 31 December 2022		21,415	51	21,466
Depreciation expense		1,837	10	1,847
Lease modification		(38)	–	(38)
Capitalisation of depreciation of right-of-use asset into property, plant and equipment	11	1,919	5	1,924
Transfer of TK interests	14	(17,424)	(41)	(17,465)
Assets held for sale	27	(5,092)	(23)	(5,115)
Effect of exchange rate changes		(1,796)	(2)	(1,798)
<hr/>				
At 30 June 2023		821	–	821
<hr/>				
Carrying amounts				
At 31 December 2022		216,078	219	216,297
<hr/>				
At 30 June 2023		7,400	–	7,400
<hr/>				

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

13. Intangible assets

Group	Note	Project-related agreements and licences		Total
		Goodwill US\$'000	US\$'000	
Cost				
At 1 January 2022		250,688	1,006,053	1,256,741
Additions		–	1	1
Reclassification from property, plant and equipment	11	–	7,460	7,460
Write-off project costs		–	(2,880)	(2,880)
Effect of exchange rate changes		(34,568)	(138,896)	(173,464)
At 31 December 2022		216,120	871,738	1,087,858
Transfer of TK interests	14	(154,891)	(620,122)	(775,013)
Assets held for sale	27	(44,980)	(188,943)	(233,923)
Effect of exchange rate changes		(16,249)	(62,673)	(78,922)
At 30 June 2023		–	–	–
Accumulated amortisation				
At 1 January 2022		–	76,060	76,060
Amortisation expense		–	32,604	32,604
Effect of exchange rate changes		–	(10,825)	(10,825)
At 31 December 2022		–	97,839	97,839
Amortisation expense		–	16,474	16,474
Transfer of TK interests	14	–	(75,543)	(75,543)
Assets held for sale	27	–	(31,153)	(31,153)
Effect of exchange rate changes		–	(7,617)	(7,617)
At 30 June 2023		–	–	–
Carrying amounts				
At 31 December 2022		216,120	773,899	990,019
At 30 June 2023		–	–	–

Amortisation of the project-related agreements and licences will begin on the commercial operation date of the renewable assets as defined in the respective power purchase agreements.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

14. Investment in subsidiaries

	Trust	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Equity investments, at cost	391,139	1,729,716

The table below provides a reconciliation of the movement in investment in the subsidiaries:

	Trust	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Balance as at beginning of period/year	1,729,716	1,764,623
Capital injection during the period/year	75,925	250,050
Redemption during the period/year	(1,414,502)	(284,957)
Balance as at end of period/year	391,139	1,729,716

During the six months period ended 30 June 2023, the Trust increased its investment in subsidiaries by US\$75.9 million (2022: US\$250.1 million) and redeemed 1,376.1 million (2022: 264.6 million) units at an average price of US\$1.02 (2022: US\$1.08) per unit for the aggregate consideration of US\$1,414.5 million (2022: US\$285.0 million).

Transfer of TK interests

In May 2023, the Group transferred 49% of TK interests in GK Hayabusa to third parties for a total cash purchase consideration of US\$31.1 million (JPY4.4 billion).

Following the transfer of TK interests, GK Hayabusa and its subsidiaries, GK NRE-05 Investment and GK NRE-19 Investment (collectively known as "Project Hayabusa") ceased to be subsidiaries to the Group.

Subsequently, in June 2023, the Group further divested 48% of its economic interests in Project Hayabusa to APAC Renewable Investments Pte. Ltd. ("APAC"), a wholly-owned subsidiary of Vena Energy Holdings Ltd ("VEHL") for a total purchase consideration of US\$30.7 million. The payment for this transaction was to be fulfilled by APAC via the issuance of a Promissory Note to the Trust's subsidiary, Zenith Japan Trust ("ZJT").

The retained 2% TK interests in GK Hayabusa is recognised as other investments at fair value through other comprehensive income ("FVOCI") (Note 16).

In June 2023, the Group transferred part of the TK interests in the following special purpose vehicles ("GKs") to APAC for a total consideration of US\$1,258.9 million. The payment for this transaction was to be fulfilled by APAC via the issuance of a Promissory Note to ZJT.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

14. Investment in subsidiaries (cont'd)

Transfer of TK interests (cont'd)

The retained TK interests in these GKs are recognised as other investments at FVOCI (Note 16). These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

Name of the Japanese Project Entities	Project Name	Transfer of TK interests (%)	Retained TK interests (%)
GK NRE-13 Investment	Enokibayashi	95	4
GK NRE-32 Investment	Kasama	95	4
Nakasato Wind GK	Nakadomari	95	4
GK NRE-37 Investment	Aomori 2	95	4
GK NRE-15 Investment	Noheji	95	4
GK NRE-41 Investment	Bandai	95	4
GK NRE-42 Investment	Hitachi Omiya 2	95	4
GK NWE-03 Investment	Kainan	95	4
GK NWE-09 Investment	Ichikikushikino	95	4
Matsuura Wind GK	Matsuura	95	4
Nakaura Wind GK (fka NWE-04 Investment)	Saikai 2	95	4
GK NRE Sannan	Sannan	95	4
GK Energy Forest	Sano	95	4
GK KC-01 Investment	Sotsukozawa	95	4
GK NRE-21 Investment	Shichinohe 9	95	4
GK NRE-16 Investment	Tokai	95	4
GK NRE-36 Investment	Towada	95	4
GK NRE-20 Investment	Wakuya	95	4
GK NRE-23 Investment	Kisarazu	95	4
GK NRE-25 Investment	Nanbucho 2	95	4
GK NRE-29 Investment	Nanbucho 3	95	4
GK NWE-10 Investment	Shinonsen	95	4
GK NRE-44 Investment	Nihonmatsu 2	95	4
GK NWE-12 Investment	Shimane 2	95	4
Karatsu Wind GK	Karatsu	95	4
KP Energy GK	Yaita 2	95	4
Nimaida Wind GK	Kunimi	95	4
SEJ 111 GK	Nagasaki	95	4
Amateras Solar G.K.	Zao	95	4
Clean Energy GK	Aizu-Wakamatsu	95	4
GK NRE-46 Investment	Maniwa	95	4
Kagoshima Koriyama Wind G.K.	Hioki	95	4
Nishiyama Wind GK	Nishiyama	95	4
Kami Miyazaki Wind GK	Yakurai	95	4

Through a series of redemptions which were satisfied in kind by the assignment of the rights to receive payment under the Promissory Note, the benefits of the Promissory Note were up streamed to the unitholder of the Trust. This led to the redemption of 1,236,460,043 units at an average price of US\$1.02 per unit (Note 21) by the unitholder, thereby amounting to the total purchase consideration of US\$1,258.8 million.

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****14. Investment in subsidiaries (cont'd)****Transfer of TK interests (cont'd)**

The cash flows and net assets of transfer of TK interests as mentioned above are provided as below:

	Note	30 June 2023 US\$'000
Assets		
Property, plant and equipment	11	1,098,492
Right-of-use assets	12	155,715
Intangible assets	13	699,470
Other investments		59,618
Prepayments and other assets		4,471
Trade and other receivables		65,054
Derivative assets		4,105
Cash and bank balances		155,298
		2,242,223
Liabilities		
Loans and borrowings		(915,971)
Lease liabilities		(159,634)
Asset retirement obligation		(42,021)
Trade and other payables		(30,385)
Derivative liabilities		(7,109)
		(1,155,120)
Net assets derecognised		1,087,103
Less: Non-controlling interests		(12,371)
		1,074,732
Net assets of transfer of TK interests		1,074,732
Reclassification of foreign currency translation reserve		304,058
		1,378,790
Adjusted net assets of transfer of TK interests		1,378,790
Gain on transfer of TK interests		554
Fair value on initial recognition of TK interests retained		(89,442)
		1,289,902
Total sales consideration		1,289,902
Less: Sale proceeds via issuance of a Promissory Note		(1,258,844)
Less: Cash and bank balances of the transferred TK interests		(155,298)
		(124,240)
Net cash outflow on transfer of TK interests		(124,240)

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

15. Equity-accounted investees

Interests in joint ventures

	Group	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Interests in joint ventures	64,215	67,945

The following summarises the financial information of the Group's joint ventures based on the financial statements prepared in accordance with IFRS:

30 June 2023	Nanao Mega Solar GK ("Nanao") US\$'000	KK Kyudenko Fukuosan Solar ("KK Fukuosan") US\$'000	Wind Power Energy ("WPE") US\$'000
<u>Statement of financial position</u>			
Non-current assets			
Property, plant and equipment	100,496	91,129	51,088
Right-of-use assets	10,739	36,509	7,240
Intangible assets	1,114	25,297	–
Prepayments and other assets	82	210	–
Derivative assets	1,826	2,007	–
	114,257	155,152	58,328
Current assets			
Prepayments and other assets	1,379	27	3
Trade and other receivables	11,284	1,520	830
Cash and bank balances	13,823	12,516	3,020
	26,486	14,063	3,853
Total assets	140,743	169,215	62,181
Non-current liabilities			
Loans and borrowings	93,689	84,489	12,169
Lease liabilities	4,128	38,635	7,281
Asset retirement obligation	4,026	4,884	–
	101,843	128,008	19,450

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements
For the six months ended 30 June 2023

15. Equity-accounted investees (cont'd)

Interests in joint ventures (cont'd)

30 June 2023	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000
<u>Statement of financial position (cont'd)</u>			
Current liabilities			
Loans and borrowings	–	5,919	83
Lease liabilities	195	2,317	260
Trade and other payables	5,858	987	2,279
Current tax liabilities	13	–	–
	6,066	9,223	2,622
Total liabilities	107,909	147,231	22,072
Net assets	32,834	31,984	40,109
<u>Statement of comprehensive income</u>			
Revenue	7,801	8,327	–
Other income	–	12	–
Total revenue	7,801	8,339	–
Operating costs	(614)	(1,519)	(27)
Development costs	–	–	–
Depreciation expense	(674)	(3,868)	–
Amortisation expense	(337)	(762)	–
Results from operating activities	6,176	2,090	(27)
Finance costs	(358)	(960)	–
Change in fair value of investments at FVTPL	(2,373)	(2,435)	–
Profit/(loss) before tax	3,445	(1,305)	(27)
Tax expense	–	–	(2)
Profit/(loss) for the period, representing total comprehensive income for the period	3,445	(1,305)	(29)

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

15. Equity-accounted investees (cont'd)

Interests in joint ventures (cont'd)

31 December 2022	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000
<u>Statement of financial position</u>			
Non-current assets			
Property, plant and equipment	72,469	101,394	52,489
Right-of-use assets	11,949	40,640	7,964
Intangible assets	1,205	28,146	–
Prepayments and other assets	1,517	240	–
Derivative assets	–	4,674	–
	87,140	175,094	60,453
Current assets			
Prepayments and other assets	–	32	1
Trade and other receivables	444	12,068	757
Derivative assets	4,419	–	–
Cash and bank balances	5,636	12,053	5,825
	10,499	24,153	6,583
Total assets	97,639	199,247	67,036
Non-current liabilities			
Loans and borrowings	60,560	100,458	13,158
Lease liabilities	4,713	44,168	7,948
Asset retirement obligation	–	5,265	–
	65,273	149,891	21,106
Current liabilities			
Loans and borrowings	–	8,438	14
Lease liabilities	279	2,726	280
Trade and other payables	224	212	2,241
	503	11,376	2,535
Total liabilities	65,776	161,267	23,641
Net assets	31,863	37,980	43,395

Zenith Japan Holdings Trust and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

15. Equity-accounted investees (cont'd)

Interests in joint ventures (cont'd)

30 June 2022	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000
<u>Statement of comprehensive income</u>			
Revenue	–	5,817	–
Operating costs	–	(329)	–
Development costs	(30)	–	(68)
Depreciation expense	–	(2,913)	–
Amortisation expense	–	(602)	–
Results from operating activities	(30)	1,973	(68)
Finance costs	–	(223)	–
Change in fair value of investments at FVTPL	1,942	2,398	–
Profit/(loss) before tax	1,912	4,148	(68)
Tax expense	–	–	–
Profit/(loss) for the period, representing total comprehensive income for the period	1,912	4,148	(68)

30 June 2023	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000	Total US\$'000
Carrying amount of interests in joint ventures at 1 January 2023	22,283	26,842	18,820	67,945
Share of results of joint ventures	2,375	(900)	(14)	1,461
Foreign currency translation differences	(1,704)	(1,907)	(1,580)	(5,191)
Carrying amount of interests in joint ventures at 30 June 2023	22,954	24,035	17,226	64,215

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

15. Equity-accounted investees (cont'd)

Interests in joint ventures (cont'd)

31 December 2022	Nanao US\$'000	KK Fukuosan US\$'000	WPE US\$'000	Total US\$'000
Carrying amount of interests in joint ventures at 1 January 2022	15,956	25,934	14,911	56,801
Group's contribution during the year	4,299	–	6,379	10,678
Share of results of joint ventures	4,552	4,452	(68)	8,936
Foreign currency translation differences	(2,524)	(3,544)	(2,402)	(8,470)
Carrying amount of interests in joint ventures at 31 December 2022	22,283	26,842	18,820	67,945

16. Other investments

	Group 30 June 2023 US\$'000	31 December 2022 US\$'000
Equity investments – held at FVOCI	57,113	–

The Group's equity investments at FVOCI consist of its interests in Tokumei Kumiai investments associated with renewable energy assets in Japan. These interests arise from:

- (a) Retained TK interests in certain Tokumei Kumiai investments as disclosed in Note 14; and
- (b) Acquisition of 38% economic interests in certain Tokumei Kumiai investments in April 2023. Subsequently, in June 2023, the Group divested 36% of these investments to APAC, for which the payment was to be settled through APAC issuing a Promissory Note to ZJT.

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****17. Loans receivables**

	Group and Trust	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Non-current		
Loan receivable from related party	258,751	180,459
Current		
Interest on loan receivable from related party	1,481	161
	260,232	180,620
	260,232	180,620

The Group and the Trust have a loan receivable from Vena Energy Holdings Ltd with an annual interest rate of 1.4% (2022: 1.4%). The loan is, unsecured, denominated in JPY and will mature on 30 December 2024.

18. Prepayments and other assets

	Group	
	30 June 2023	31 December 2022
	US\$'000	US\$'000
Non-current		
Prepaid asset management fees	649	1,678
Prepaid O&M mobilisation fees	–	3,611
	649	5,289
Current		
Prepaid insurance	1	1,061
Advance payments for construction costs	–	5,705
Other assets	–	1,289
	1	8,055
	650	13,344

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****19. Trade and other receivables**

	Note	Group	
		30 June 2023	31 December 2022
		US\$'000	US\$'000
Non-current			
VAT receivables		226	38,948
Deposits		–	3,098
		<hr/> 226	<hr/> 42,046
Current			
Non-trade amounts due from:			
- Related parties	(a)	–	1,356
Contract assets		–	11,533
VAT receivables		399	27,710
Other deposits		1,578	4,122
		<hr/> 1,977	<hr/> 44,721
Less: Impairment loss		(21)	(542)
		<hr/> 1,956	<hr/> 44,179
		<hr/> <hr/> 2,182	<hr/> <hr/> 86,225

Trade receivables are non-interest bearing and are generally on standard credit terms ranging from 15 to 30 days (2022: 15 to 30 days). They are recognised at their original invoice amounts which represents their fair values on initial recognition.

- (a) Amount due from related parties (as defined in Note 28) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

20. Cash and bank balances

	Note	Group		Trust	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Bank balances		684	177,342	159	23,267
Less: Impairment loss		–	(7)	–	–
Total cash and bank balances in the statement of financial position		684	177,335	159	23,267
Cash and bank balances attributable to assets held for sale	28	43,456	–	–	–
Total cash and bank balances		44,140	177,335	159	23,267
Less: Restricted bank balances and deposits	(a)	(11,613)	(103,941)	–	–
Add: impairment loss		–	7	–	–
Cash and cash equivalents in the statement of cash flows		32,527	73,401	159	23,267

(a) As at 30 June 2023, US\$11.6 million (2022: US\$103.9 million) of the Group's cash and bank balances were restricted. Out of this, US\$8.4 million (2022: US\$40.7 million) were held under Debt Service Reserve Accounts ("DSRA"), which represents a reserve account used for debt service of project finance debt.

As at the reporting date, total cash and bank balances of the Group, inclusive of amounts classified as assets held for sale, amounting to US\$42.4 million (2022: US\$111.2 million) are pledged as collateral to secure project finance debts.

21. Units in issue

	Group and Trust	
	30 June 2023 No. of units ('000)	31 December 2022 No. of units ('000)
Issued		
At beginning of the reporting period/year	1,712,182	1,712,182
Redemption of units	(1,258,847)	–
At end of the reporting period/year	453,335	1,712,182

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

21. Units in issue (cont'd)

Units

Each unit in the Trust represents an equal undivided interest in the Trust.

As at 30 June 2023 and 31 December 2022, all units were issued and fully paid.

Redemption of units

During the period ended 30 June 2023, 1,236,460,043 units were redeemed at US\$1.02 per unit and fully paid.

22. Loans and borrowings and lease liabilities

	Note	Group		Trust	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current					
Project finance debts	(a)	–	965,148	–	–
Bond issued by O&M Provider		–	264	–	–
Loan from:					
- Related parties	(b)	–	3,702	–	–
- Euro Medium Term Note Issuer	(c)	167,651	181,057	167,651	181,057
		167,651	1,150,171	167,651	181,057
Lease liabilities		7,419	215,042	–	–
Current					
Project finance debts	(a)	–	102,868	–	–
Loan from related parties	(b)	394	3,409	–	–
Interest payable on:					
- Project finance debt	(a)	–	360	–	–
- Loan from related parties	(b)	2	60	–	–
- Euro Medium Term Note	(c)	593	642	593	642
- Bond issued by O&M Provider		–	14	–	–
- Derivatives		–	89	–	–
		989	107,442	593	642
Lease liabilities		241	5,325	–	–
		176,300	1,477,980	168,244	181,699

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****22. Loans and borrowings and lease liabilities (cont'd)**

Terms and conditions of loans and borrowings are as follows:

Group	Currency	Nominal interest rate %	Year of maturity	Principal amount US\$'000
<u>2023</u>				
Project finance debt	JPY	3M TIBOR + 0.3 to 0.8	2034 to 2040	82,147
Project finance debt	JPY	6M TIBOR + 0.5 to 1.0	2024 to 2040	46,502
Project finance debt	JPY	TONAR + 0.8 to 0.9	2023 to 2027	50,150
Project finance debt	JPY	1.9	2038	62,766
Loan from related parties	JPY	0.8	2023 to 2035	394
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	97,827
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	70,823
Total loans and borrowings				410,609
Loans and borrowings attributable to liabilities held for sale				(241,565)
				169,044
<u>2022</u>				
Project finance debt	JPY	3M TIBOR + 0.5 to 0.8	2034 to 2040	651,020
Project finance debt	JPY	6M TIBOR + 0.8 to 1.0	2024 to 2040	208,022
Project finance debt	JPY	TONAR + 0.8 to 0.9	2023 to 2027	161,232
Project finance debt	JPY	1.9	2038	70,042
Bond issued by O&M Provider	JPY	1.0	–	264
Loan from related parties	JPY	0.6 to 0.8	2023 to 2035	7,111
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	105,780
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	76,581
				1,280,052

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Trust	Currency	Nominal interest rate %	Year of maturity	Principal amount US\$'000
2023				
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	97,827
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	70,823
				168,650
2022				
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	105,780
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	76,581
				182,361
Group				
	Currency	Nominal interest rate %	Year of maturity	Principal amount US\$'000
2023				
Project finance debt	JPY	3M TIBOR + 0.3 to 0.8	2034 to 2040	82,147
Project finance debt	JPY	6M TIBOR + 0.5 to 1.0	2024 to 2040	46,502
Project finance debt	JPY	TONAR + 0.8 to 0.9	2023 to 2027	50,150
Project finance debt	JPY	1.9	2038	62,766
Loan from related parties	JPY	0.8	2023 to 2035	394
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	97,827
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	70,823
				410,609
Total loans and borrowings				410,609
Loans and borrowings attributable to liabilities held for sale (Note 26)				(241,565)
				169,044

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Group	Currency	Nominal interest rate %	Year of maturity	Principal amount US\$'000
<u>2022</u>				
Project finance debt	JPY	3M TIBOR + 0.5 to 0.8	2034 to 2040	651,020
Project finance debt	JPY	6M TIBOR + 0.8 to 1.0	2024 to 2040	208,022
Project finance debt	JPY	TONAR + 0.8 to 0.9	2023 to 2027	161,232
Project finance debt	JPY	1.9	2038	70,042
Bond issued by O&M Provider	JPY	1.0	–	264
Loan from related parties	JPY	0.6 to 0.8	2023 to 2035	7,111
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	105,780
				1,280,052
Trust				
<u>2023</u>				
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	97,827
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	70,823
				168,650
<u>2022</u>				
Loan from Euro Medium Term Note Issuer	JPY	1.4	2025	105,780
Loan from Euro Medium Term Note Issuer	JPY	0.6	2025	76,581
				182,361

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

22. Loans and borrowings and lease liabilities (cont'd)**(a) Project finance debts**

The project finance debt contains debt covenants which are tested on a regular basis. A future breach of these covenants may require the Group to repay the loans and borrowings earlier than its year of maturity. The Group has not breached any debt covenants as at 30 June 2023 and 31 December 2022 respectively.

Project finance debts are secured over the assets of the Group as disclosed in Note 22(d).

(b) Loan from related parties

The Group obtained a loan from Nippon Renewable Energy K.K. with an annual interest rate of 0.767% on the principal outstanding. The loan tenor is 1 year, with a maturity date in 2023.

The Group obtained loans from Nippon Wind Energy K.K. with annual interest of 0.587% on the principal outstanding on all the loans. The loans are repayable within 2 to 3 years with their maturity dates ranging from 2023 to 2024.

(c) Loan from Euro Medium Term Note Issuer

On 26 February 2020, a related company, Vena Energy Capital Pte. Ltd. ("Euro Medium Term Note Issuer"), issued US\$325,000,000 3.133% per annum notes due in 2025 listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") under a US\$1 billion Global Medium Term Note Programme (the "Notes").

On 8 July 2021, the Euro Medium Term Note Issuer issued US\$175,000,000 3.133% per annum notes due in 2025 listed on SGX-ST under the US\$1 billion Notes. The Notes were issued at a premium for a total consideration of US\$178,638,250. The Notes are to be consolidated and form a single series with the US\$325,000,000 3.133% per annum notes issued on 27 February 2020.

The Notes bear interest at the rate of 3.133% per annum from and including 26 February 2021, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2021. The Notes will mature on 26 February 2025.

The Notes proceeds were allocated to the Trust, Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd through intercompany loans.

The Trust together with Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd jointly and severally act as guarantors for Vena Energy Capital Pte. Ltd. for this Notes issuance. The due and punctual payment of all sums payable by Vena Energy Capital Pte. Ltd. from time to time in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the guarantors.

The loan from the Euro Medium Term Note Issuer is a 5-year loan maturing on 26 February 2025 denominated in Japanese Yen ("JPY") with the contractual interest rate at 1.372% and 0.598% per annum payable on a semi-annual basis.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

(c) Loan from Euro Medium Term Note Issuer (cont'd)

The below table shows the notional amount of the outstanding loans and borrowings excluding transaction costs.

Gross debt	Group		Trust	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Project finance debts	–	985,001	–	–
Bond issued by O&M Provider	–	264	–	–
Loan from:				
- Related parties	–	3,702	–	–
- Euro Medium Term Note Issuer	168,650	182,361	168,650	182,361
	<u>168,650</u>	<u>1,171,328</u>	<u>168,650</u>	<u>182,361</u>
Current				
Project finance debts	–	105,315	–	–
Loan from:				
- Related parties	394	3,409	–	–
	<u>394</u>	<u>108,724</u>	<u>–</u>	<u>–</u>
	<u>169,044</u>	<u>1,280,052</u>	<u>168,650</u>	<u>182,361</u>

(d) Pledges for facilities agreements

The Group has entered into several facilities agreements with various financial institutions. In 2022, under these agreements, these financial institutions provide project financing debts of US\$1,090.3 million to the Group on a combination of fixed and floating rates.

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

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

22. Loans and borrowings and lease liabilities (con

(d) Pledges for facilities agreements (cont'd)

The Group's assets directly pledged in relation to the facilities agreements are as disclosed in Note 11 and 20, of the financial statement. The indirect pledge over the consolidated Group's net assets as at reporting date, as a result of the shares of the project entities being pledged, are as follows:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
Project entities' contribution to the net assets of the Group	227,144	653,167

23. Derivative assets and liabilities

		Group	
	Note	30 June 2023	31 December 2022
		US\$'000	US\$'000
Derivative assets:			
Non-current			
Interest rate swaps		–	18,146
Asset held for sale			
Interest rate swaps	28	655	–
Total derivative assets		<u>655</u>	<u>18,146</u>
Derivative liabilities			
Liabilities directly associated with assets held for sale			
Interest rate swaps	28	284	–
Total derivative liabilities		<u>284</u>	<u>–</u>

The Group manages interest rate risk on variable borrowings by entering into floating-to-fixed interest rate swaps.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

24. Trade and other payables

	Note	Group		Trust	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
Non-current					
Deferred income		–	514	–	–
Current					
Trade payables		52	4,278	34	–
Other tax payables		–	3,829	–	–
Advances received		–	100	–	–
Accrued expenses		67	25,040	26	27
Non-trade amounts due to:					
- Asset Managers		4,964	36,449	–	–
- O&M Provider		–	1,567	–	–
- Related parties	(a)	282	1,554	98	38
- Other third parties		1,805	3,685	–	–
		7,170	76,502	158	65
		7,170	77,016	158	65

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

(a) Amount due to related parties (as defined in Note 28) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

25. Fair value of financial instruments

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Fair value measurement (cont'd)

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

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Accounting classification and fair value

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

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

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value (cont'd)

	Note	Carrying amount			Fair value				
		Equity instruments at FVOCI US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Group									
30 June 2023									
Other investments	16	57,113	–	–	57,113	–	–	57,113	57,113
Loans receivables	17	–	260,232	–	260,232	–	260,232	–	260,232
Trade and other receivables*	19	–	1,578	–	1,578				
Cash and bank balances	20	–	684	–	684				
		57,113	262,494	–	319,607				
Loans and borrowings	22	–	–	168,640	168,640	–	169,639	–	169,639
Other financial liabilities (net of advances)*	24	–	–	7,170	7,170				
		–	–	175,810	175,810				

* Excludes non-financial assets and liabilities

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Accounting classification and fair value (cont'd)

	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Group									
31 December 2022									
Trade and other receivables*	19	–	20,109	–	20,109				
Cash and bank balances	20	–	177,335	–	177,335				
Loans receivables	17	–	180,620	–	180,620	–	180,620	–	180,620
Derivative assets	23	18,146	–	–	18,146	–	18,146	–	18,146
		18,146	378,064	–	396,210				
Loans and borrowings	22	–	–	1,257,613	1,257,613	–	1,281,128	–	1,281,128
Other financial liabilities (net of advances)*	24	–	–	72,573	72,573				
		–	–	1,330,186	1,330,186				

* Excludes non-financial assets and liabilities

Zenith Japan Holdings Trust and its Subsidiaries

**Notes to the interim condensed financial statements
For the six months ended 30 June 2023**

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

Accounting classification and fair value (cont'd)

	Note	Carrying amount			Fair value			
		Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Trust								
30 June 2023								
Loans receivables	17	260,232	–	260,232	–	260,232	–	260,232
Cash and bank balances	20	159	–	159				
		260,391	–	260,391				
Loans and borrowings	22	–	168,244	168,244	–	169,243	–	169,243
Other financial liabilities	24	–	158	158				
		–	168,402	168,402				

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****25. Fair value of financial instruments (cont'd)****Accounting classification and fair value (cont'd)**

	Note	Carrying amount			Fair value			
		Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Trust								
31 December 2022								
Loans receivables	17	180,620	–	180,620	–	180,620	–	180,620
Cash and bank balances	20	23,267	–	23,267				
		203,887	–	203,887				
Loans and borrowings	22	–	181,699	181,699	–	183,003	–	183,003
Other financial liabilities	24	–	65	65				
		–	181,764	181,764				

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

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

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other investments: Equity investments – at FVOCI	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Discount rate	The estimated fair value would increase (decrease) if the discount rate was lower (higher)
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable	Not applicable

Financial instruments not measured at fair value

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

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****25. Fair value of financial instruments (cont'd)****Level 3 fair values**

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

	Group	
	30 June 2023	31 December 2022
Equity investments – at FVOCI	US\$'000	US\$'000
Beginning balance	–	–
Addition	116,868	–
Transfer of TK interests	(59,618)	–
Distribution from equity investment	(137)	–
	<hr/>	<hr/>
Ending balance	57,113	–
	<hr/> <hr/>	<hr/> <hr/>

26. Commitments***Capital commitments***

The Group entered into various contracts to construct renewable energy power plants. The total and remaining construction costs as at reporting date were:

	30 June 2023	31 December 2022
	US\$'000	US\$'000
<u>Type of contracts</u>		
Property, plant and equipment	633	222,694
	<hr/>	<hr/>

Zenith Japan Holdings Trust and its Subsidiaries**Notes to the interim condensed financial statements
For the six months ended 30 June 2023****27. Assets held for sale**

Following the approval of the Trustee in June 2023 to transfer part of the interest in certain Tokumei Kumiai entities ("TK interests"), the assets and liabilities related to the TK interests have been presented as a disposal group held for sale.

The assets and liabilities which are classified as held for sale as at 30 June 2023 are as follows:

	Note	Group 30 June 2023 US\$'000
Assets		
Property, plant and equipment ¹	11	259,364
Right-of-use assets	12	45,841
Intangible assets	13	202,770
Derivative assets – Interest rate swaps	23	655
Prepayments and other assets		838
Trade and other receivables		7,132
Cash and bank balances	20	43,456
		<hr/> 560,056 <hr/>
Liabilities		
Trade and other payables		11,319
Loans and borrowings		238,295
Lease liabilities		48,686
Derivatives liabilities – Interest rate swaps	23	284
Asset retirement obligation		10,798
Current tax liabilities		4
		<hr/> 309,386 <hr/>
Reserves		
Translation reserves		<hr/> (77,379) <hr/>

¹ Property, plant and equipment of the Group with carrying amounts of US\$240.1 million were pledged as collateral to secure project finance debts.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

28. Related parties

Zenith Japan Holdings Ltd (as Trustee of Zenith Japan Holdings Trust) is the beneficiary of Zenith Japan Trust acting by its trustee of Zenith Japan Ltd, which has entered into numerous Tokumei Kumiai arrangements that gives Zenith Japan Trust an economic interest in its subsidiaries' assets in Japan (the "Japanese Assets"). The Japanese Assets have entered into asset management agreements with certain Japanese companies owned by Vena Energy Holdings Ltd. As such, Zenith Japan Holdings Trust and its subsidiaries ("ZJHT Group"), Vena Energy Holdings Ltd and its subsidiaries ("VEHL Group") has been determined as related parties in accordance with IAS 24 *Related Parties*. Accordingly, all mention of related parties in the financial statements, except as otherwise defined refer to entities within ZJHT Group and VEHL Group.

During the six months period ended 30 June 2023, other than those disclosed elsewhere in the financial statements, there were no significant transactions with related parties.

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial period:

	Group	
	30 June 2023	30 June 2022
	US\$'000	US\$'000
Gain on transfer of TK interests	554	–
Asset management fees	1,965	2,004
Operations and maintenance costs	7,315	6,261
Outsourced accounting fees	120	120
	<hr/>	<hr/>

Sale and leaseback

During the six month period ended 30 June 2022, the Group entered into sale and leaseback transactions with a related party of the Group, NRE Land Management GK, in respect of several freehold land parcels in Japan to transfer ownership and associated obligations relating to the land parcels to its related party. The freehold land parcels were sold at fair value and leased back over 20 to 35 years at market rentals. The total consideration for the sale of the land parcels amounted to US\$16,000 and the right-of-use assets and lease liabilities relating to sale and leaseback transactions with related party amounted to US\$29,000 and US\$29,000 respectively.

There was no similar transaction in the current period.

As at 30 June 2023, the carrying amount of lease liabilities which has been transferred to liabilities directly associated with assets held for sale (Note 27) included US\$1.8 million arising from sales and leaseback transactions with related party.

Zenith Japan Holdings Trust and its Subsidiaries

Notes to the interim condensed financial statements For the six months ended 30 June 2023

29. Non-controlling interests

Non-controlling interests denotes Nippon Renewable Energy K.K, Nippon Wind Energy K.K and Zeini Solar (S) Pte Ltd's economic interest in fully paid up equity shares of all group entities domiciled in Japan.

30. Subsequent event

In August 2023, Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust (collectively known as "Borrowers") entered into a multicurrency unfunded green letter credit facilities agreement of an aggregate principal amount of US\$550,000,000 (the "Facilities Agreement"). The Borrowers jointly and severally act as guarantors to this Facilities Agreement.

31. Authorisation of financial statements for issue

The interim condensed financial statements for the period 1 January 2023 to 30 June 2023 were authorised for issue in accordance with a resolution of the directors passed on 31 August 2023.

