

**Vertex Venture Holdings Ltd
and its subsidiaries
Registration Number: 199708173R**

Annual Report
Year ended 31 December 2023

Directors' statement

We are pleased to submit this annual report to the member of Vertex Venture Holdings Ltd ("the Company") together with the audited consolidated financial statements for the financial year ended 31 December 2023.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS59 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year then ended in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and IFRS Accounting Standards ("IFRSs"); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Teo Ming Kian
Lee Kheng Nam
Chua Kee Lock
Chia Chee Ming Timothy
Rohit Sipahimalani

Directors' interests

According to the register of director's shareholdings kept by the Company for the purposes of Section 164 of the Companies Act 1967, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children below 18 years of age) in shares, debentures, warrants and/or share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Teo Ming Kian		
Vertex Venture Holdings		
- 3.3% Bonds listed in SGX	S\$250,000	S\$250,000
Altrium PE Fund I F&F LP		
- Bonds	US\$300,000	US\$300,000

Vertex Venture Holdings Ltd and its subsidiaries
Directors' statement
Year ended 31 December 2023

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Teo Ming Kian (cont'd)		
Altrium PE Fund II F&F LP		
- Bonds	US\$300,000	US\$300,000
Astrea IV Pte. Ltd.		
- Class A-1 4.35% Secured Fixed Rate Bonds	S\$7,000	—
- Class A-2 5.5% Secured Fixed Rate Bonds	US\$200,000	—
Astrea V Pte. Ltd.		
- Class A1 3.85% Secured Fixed Rate Bonds	S\$16,000	S\$16,000
Capitaland Ascott Trust Management Limited		
- Unit holding in CapitaLand and Ascott Trust	—	1,399
- Ascott Residence Trust Perpetual Bond	S\$250,000	S\$250,000
CapitaLand Investment Limited		
- S\$ ordinary shares fully paid	7,000	7,000
CapitaLand Integrated Commercial Trust Management Limited		
- S\$ ordinary shares fully paid	40,954	40,954
Mapletree Logistics Trust Management Ltd		
- 3.725% Perpetual Bond due in 2026	S\$250,000	S\$250,000
Mapletree Treasury Services Ltd		
- 3.95% Perpetual Securities issued in 2017	—	S\$250,000
Olam Group Limited		
- S\$ ordinary shares fully paid	12,000	12,000
Singapore Airlines Limited		
- S\$ ordinary shares fully paid	24,000	24,000
- 3.035% Notes	S\$250,000	S\$250,000
- MCBZ 2021	52,000	13,000
Singapore Technologies Engineering Ltd		
- S\$ ordinary shares fully paid	6,200	27,000
Singapore Technologies Telemedia Pte. Ltd.		
- 4.2% Perpetual Bond due 2029	S\$250,000	S\$250,000
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	380	380

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Teo Ming Kian (cont'd)		
The Lifesciences Innovation Fund Pte. Ltd.		
- S\$ preference shares fully paid	1,000	1,000
VMII Affiliates Fund LP		
- Subscription as limited partner (committed capital)	US\$200,000	US\$200,000
Lee Kheng Nam		
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	3,230	3,230
The Lifesciences Innovation Fund Pte. Ltd.		
- S\$ preference shares fully paid	1,000	1,000
VMII Affiliates Fund LP		
- Subscription as limited partner (committed capital)	US\$200,000	US\$200,000
Rohit Sipahimalani		
Altrium Private Equity Fund I GP Limited		
- Bonds	US\$1,000,000	US\$1,000,000
Altrium Private Equity Fund II GP Limited		
- Bonds	US\$1,500,000	US\$1,500,000
Altrium Co-Invest Fund I Access GP Ltd		
- Subscription as Limited Partner	—	US\$500,000
Astrea IV Pte. Ltd.		
- Class A-1 Bonds	S\$750,000	—
- Class A-2 Bonds	US\$200,000	—
Astrea V Pte. Ltd.		
- Class A-1 Bonds	S\$600,000	S\$1,850,000
- Class A-2 Bonds	US\$400,000	US\$400,000
Astrea VI Pte. Ltd.		
- Class A-1 Bonds	S\$250,000	S\$1,000,000
- Class B Bonds	—	US\$600,000
Astrea VII Pte. Ltd.		
- Class A-1 Bonds	S\$2,325,000	S\$2,575,000
- Class B Bonds	S\$130,000	S\$130,000

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Rohit Sipahimalani (cont'd)		
Fullerton Alternatives Funds VCC		
- Fullerton Optimised Alpha Fund Class A USD Participation Shares	US\$500,000	US\$500,000
Fullerton Fund Management Company Ltd.		
- Fullerton Short Term Internal Rate S\$ Fund	S\$500,000	S\$500,000
Seatown Private Strategies GP Pte. Ltd.		
- LP Interest	US\$750,000	US\$750,000
Singapore Technologies Telemedia Pte. Ltd.		
- S\$500million 4.2% Subordinated Perpetual Securities Issued in 2021	S\$250,000	S\$250,000
VMII Affiliates Fund LP		
- Subscription as Limited Partner	US\$500,000	US\$500,000
Chua Kee Lock		
Vertex Venture Holdings Ltd (the "Company")		
- 3.3% Bonds listed on SGX due 2028	S\$250,000	S\$250,000
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	3,160	3,160
VMII Affiliates Fund LP		
- Subscription as Limited Partner (committed capital)	US\$100,000	US\$100,000
Chia Chee Ming Timothy		
Vertex Venture Holdings Ltd (the "Company")		
- 3.3% Bonds listed in SGX due 2028	S\$250,000	S\$250,000
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	2,070	2,070
VMII Affiliates Fund LP		
- Subscription as Limited Partner (committed capital)	US\$250,000	US\$250,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants and/or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

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

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares of the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

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

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Teo Ming Kian
Director



Chan Kee Lock
Director

12 April 2024



KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Member of the Company
Vertex Venture Holdings Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Vertex Venture Holdings Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS59.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of unquoted investments

Risk:

The Group's portfolio of investments include investments in unquoted equity securities of US\$185.9m (2022: US\$169.6m) and investments in venture funds of US\$141.9m (2022: US\$144.2m), measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (e.g. last round of financing and underlying net asset value of the investee companies) and hence, the valuation of these investments involves judgement.

Our response:

We evaluated the appropriateness of the valuation techniques and the key valuation inputs used to determine the fair value of these Level 3 investments. In carrying out our audit procedures, we involved our valuation specialists to review the reasonableness of management's valuation approaches and methodologies adopted. We also assessed the adequacy of disclosures on the basis of fair value measurement.

Our findings:

The valuation methods are in line with generally accepted market practices and the valuations are supported by recent transacted prices or external net assets valuation reports. The disclosures in the financial statements are appropriate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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



Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Vertex Venture Holdings Ltd and its subsidiaries
Independent auditors' report
Year ended 31 December 2023

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Low Gin Cheng, Gerald.


KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 April 2024

Statements of financial position
As at 31 December 2023

		Group		Company	
	Note	2023	2022	2023	2022
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Property, plant and equipment	4	473	413	—	—
Right-of-use assets	17	3,062	4,475	—	—
Subsidiaries	5	—	—	1,021,267	749,633
Associates	6	1,520,331	1,546,179	156,200	154,487
Other investments	7	394,574	390,897	258	258
Financial derivatives	9	6,507	4,358	6,507	4,358
		<u>1,924,947</u>	<u>1,946,322</u>	<u>1,184,232</u>	<u>908,736</u>
Current assets					
Trade and other receivables	8	9,442	14,152	1,311	125,594
Cash and cash equivalents	10	104,790	143,159	7,313	56,623
		<u>114,232</u>	<u>157,311</u>	<u>8,624</u>	<u>182,217</u>
Total assets		<u>2,039,179</u>	<u>2,103,633</u>	<u>1,192,856</u>	<u>1,090,953</u>
Equity					
Share capital	11	303,394	253,394	303,394	253,394
Merger reserve	12	12,233	12,819	10,346	10,346
Foreign currency translation reserve	12	2,871	5,572	—	—
Retained earnings		<u>946,833</u>	<u>1,105,486</u>	<u>275,021</u>	<u>297,802</u>
Equity attributable to owners of the Company		<u>1,265,331</u>	<u>1,377,271</u>	<u>588,761</u>	<u>561,542</u>
Non-controlling interests		<u>245,468</u>	<u>234,288</u>	<u>—</u>	<u>—</u>
Total equity		<u>1,510,799</u>	<u>1,611,559</u>	<u>588,761</u>	<u>561,542</u>
Non-current liabilities					
Redeemable preference shares	13	47,176	51,951	47,176	51,951
Loans and borrowings	14	341,271	334,672	341,271	334,672
Deferred tax liabilities	15	317	317	317	317
Other long-term liabilities	16	25,032	25,032	31,261	31,261
Lease liabilities	17	1,771	3,175	—	—
Provisions	18	319	319	—	—
		<u>415,886</u>	<u>415,466</u>	<u>420,025</u>	<u>418,201</u>
Current liabilities					
Loans and borrowings	14	78,600	38,600	78,600	38,600
Lease liabilities	17	1,467	1,361	—	—
Provisions	18	390	381	—	—
Trade and other payables	19	26,549	31,876	104,940	72,080
Current tax payable		<u>5,488</u>	<u>4,390</u>	<u>530</u>	<u>530</u>
		<u>112,494</u>	<u>76,608</u>	<u>184,070</u>	<u>111,210</u>
Total liabilities		<u>528,380</u>	<u>492,074</u>	<u>604,095</u>	<u>529,411</u>
Total equity and liabilities		<u>2,039,179</u>	<u>2,103,633</u>	<u>1,192,856</u>	<u>1,090,953</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of profit or loss
Year ended 31 December 2023

		Group	
	Note	2023	2022
		US\$'000	US\$'000
Revenue	20	38,499	25,202
Net loss from investments at FVTPL		(26,222)	(80,790)
Net gain from financial derivatives		2,149	4,358
Other income		4,324	423
Staff costs		(12,662)	(10,880)
Other operating expenses		(29,659)	(24,575)
Results from operating activities		(23,571)	(86,262)
Other expenses		(7,157)	(2,498)
Finance costs	21	(21,893)	(18,203)
Share of results of associates, net of tax	6	(121,627)	(69,304)
Loss before tax	22	(174,248)	(176,267)
Tax expense	23	(1,150)	(819)
Loss for the year		(175,398)	(177,086)
Loss attributable to:			
Owners of the Company		(158,653)	(175,821)
Non-controlling interests		(16,745)	(1,265)
Loss for the year		(175,398)	(177,086)

The accompanying notes form an integral part of these financial statements.

Consolidated statement of comprehensive income
Year ended 31 December 2023

	Group	
	2023	2022
	US\$'000	US\$'000
Loss for the year	(175,398)	(177,086)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Liquidation of subsidiary	(586)	–
Foreign currency translation differences – foreign operations	(2,701)	(26)
Other comprehensive income for the year, net of tax	(3,287)	(26)
Total comprehensive income for the year	<u>(178,685)</u>	<u>(177,112)</u>
Total comprehensive income attributable to:		
Owners of the Company	(161,940)	(175,847)
Non-controlling interests	(16,745)	(1,265)
Total comprehensive income for the year	<u>(178,685)</u>	<u>(177,112)</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2023

	Attributable to owners of the Company				
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Group					
At 1 January 2022	278,394	12,819	5,598	1,324,591	1,621,402
				217,754	1,839,156
Total comprehensive income for the year					
Loss for the year	—	—	—	(175,821)	(175,821)
Other comprehensive income					
Foreign currency translation differences – foreign operations	—	—	(26)	—	(26)
Total comprehensive income for the year				(175,821)	(175,847)
Balance carried forward	278,394	12,819	5,572	1,148,770	1,445,555
				216,489	1,662,044

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2023

	Attributable to owners of the Company					Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Non-controlling interests US\$'000	
Group						
Balance brought forward	278,394	12,819	5,572	1,148,770	216,489	1,662,044
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Redemption of 250,000 Class A USD redeemable preference shares @ US\$100 per share	(25,000)	—	—	—	—	(25,000)
Interim dividend declared (Note 11)	—	—	—	(43,284)	—	(43,284)
Capital contribution by non-controlling interest of subsidiary	—	—	—	—	24,104	24,104
Distributions to non-controlling interests	—	—	—	—	(2,978)	(2,978)
Dividends to non-controlling interests (Note 11)	—	—	—	—	(3,327)	(3,327)
Total contributions by and distributions to owners, representing total transactions with owners	(25,000)	—	—	(43,284)	17,799	(50,485)
At 31 December 2022	253,394	12,819	5,572	1,105,486	234,288	1,611,559

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (cont'd)
Year ended 31 December 2023

Group	Attributable to owners of the Company					Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Non-controlling interests US\$'000	
At 1 January 2023	253,394	12,819	5,572	1,105,486	234,288	1,611,559
Total comprehensive income for the year						
Loss for the year	—	—	—	(158,653)	(16,745)	(175,398)
Other comprehensive income						
Liquidation of subsidiary	—	(586)	—	—	(586)	(586)
Foreign currency translation differences – foreign operations	—	—	(2,701)	—	(2,701)	(2,701)
Total comprehensive income for the year	—	(586)	(2,701)	(158,653)	(16,745)	(178,685)
Balance carried forward	253,394	12,233	2,871	946,833	1,215,331	1,432,874

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows
Year ended 31 December 2023

		Group	
	Note	2023	2022
		US\$'000	US\$'000
Loss for the year		(175,398)	(177,086)
Adjustments for:			
Depreciation of property, plant and equipment	22	322	223
Depreciation of right-of-use assets	22	1,413	1,222
Distribution income from venture capital funds	20	(8,519)	(9,994)
Gain on disposal of property, plant and equipment	22	—	(35)
Gain from liquidated subsidiaries	22	(3,282)	—
Finance costs	21	21,893	18,203
Interest income	20	(3,156)	(1,950)
Net (gain)/loss on divestment of investments at FVTPL	20	(2,494)	8,192
Net loss from investments at FVTPL		26,222	80,790
Net gain from financial derivatives		(2,149)	(4,358)
Provisions made (net)		1,395	1,555
Share of results of associates, net of tax	6	121,627	69,304
Tax expense	23	1,150	819
Operating loss before working capital changes		(20,976)	(13,115)
Changes in working capital:			
Trade and other receivables		3,146	19,136
Trade and other payables		(4,004)	(10,831)
Other long-term liabilities		—	(119)
Provisions		(1,386)	(1,468)
Cash used in operations		(23,220)	(6,397)
Distributions received from associates		10,361	78,978
Distributions received from venture capital funds		16,692	15,439
Tax paid		(52)	(6)
Interest received		3,156	1,950
Proceeds from divestment of investments at FVTPL		11,817	26,950
Acquisition of interests in associates		(106,140)	(122,497)
Purchase of investments at FVTPL		(47,395)	(71,835)
Net cash used in operating activities carried forward		(134,781)	(77,418)

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2023

	Note	Group 2023 US\$'000	2022 US\$'000
Net cash used in operating activities brought forward		(134,781)	(77,418)
Cash flows from investing activities			
Proceeds from liquidated subsidiaries		942	—
Proceeds from sale of property, plant and equipment		—	52
Purchase of property, plant and equipment		(381)	(322)
Net cash from/(used in) investing activities		561	(270)
Cash flows from financing activities			
Capital contribution by non-controlling interests of subsidiary		27,989	24,104
Distributions to non-controlling interests		(4)	(2,978)
Dividends paid to owner of the Company		—	(43,284)
Dividends paid to non-controlling interests		(60)	(3,327)
Proceeds from unsecured bank loans		40,000	38,600
Payment of lease liabilities		(1,298)	(1,031)
Proceeds from issuance of Class A redeemable preference shares		50,000	—
Redemption of Class A redeemable preference shares		—	(25,000)
Redemption of Class B redeemable preference shares		(4,775)	—
Interest paid on lease liabilities		(228)	(182)
Interest paid on loans and borrowings		(14,999)	(12,102)
Dividend paid on Class B redeemable preference shares		(6,295)	(5,290)
Net cash from/(used in) financing activities		90,330	(30,490)
Net decrease in cash and cash equivalents		(43,890)	(108,178)
Cash and cash equivalents at beginning of year		143,159	249,659
Effect of exchange rate changes on balances held in foreign currency		5,521	1,678
Cash and cash equivalents at end of year	10	104,790	143,159

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 April 2024.

1 Domicile and activities

Vertex Venture Holdings Ltd (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is 250 North Bridge Road #11-01 Raffles City Tower Singapore 179101.

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

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are those of investment holding and provision of investment management services to venture capital funds.

As at 31 December 2023, the immediate and ultimate holding companies are Ellensburg Holding Pte. Ltd. and Temasek Holdings (Private) Limited, respectively. Both companies are incorporated in Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) And IFRS Accounting Standards. The changes to material accounting policies are described in note 2.5.

All references to SFRS(I)s and IFRSs are subsequently referred to as IFRS in the financial statements unless otherwise specified.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in United States (“US”) dollars, which is the Company’s functional currency. All financial information presented in US dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

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 Note 26 – Financial instruments.

2.5 Changes in accounting policies

The Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2023:

- IFRS 17: *Insurance Contracts*
- Amendments to IAS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to IAS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to IAS 1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to IAS 8: *Definition of Accounting Estimates*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

Material accounting policy information

The Group adopted Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in material accounting policies.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

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

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

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group entity and any gain or loss arising is recognised directly in equity.

Loss of control

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

Investments in associates

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

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

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

Transactions eliminated on consolidation

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

Subsidiaries and associates in the separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss and presented within other income and other operating expenses.

Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the functional currency at exchange rates at the dates of the transactions.

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

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

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any gain or loss on disposal of an item of plant and equipment is recognised net within other income/other expenses in profit or loss.

Subsequent costs

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

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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

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

The estimated useful lives for the current and comparative years are as follows:

Leasehold improvements	2 to 5 years
Furniture, fittings and equipment	2 to 5 years
Motor vehicles	5 years

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

3.4 Financial instruments

Non-derivative financial instruments

i. Recognition and initial measurement

Non-derivative financial instruments comprise investments in equity investments and debt investments, trade and other receivables (excluding prepayments), cash and cash equivalents, redeemable preference shares, loans and borrowings and trade and other payables.

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

The Group recognises trade and other receivables (excluding prepayments), cash and cash equivalents and redeemable preference shares on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on trade date which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control and neither transfers nor retains substantially all the risks and rewards of ownership of the asset or the Group transfers substantially all the risks and rewards of ownership of the asset.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value plus, for instruments not at fair value through profit or loss ("FVTPL"), any directly attributable transaction costs. For instruments that are at FVTPL, at initial recognition, attributable transaction costs are recognised in profit or loss when incurred. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification, subsequent measurement and gains and losses – Financial assets

On initial recognition, a financial asset is classified as measured at: FVTPL or amortised cost.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

(a) Financial assets at FVTPL	Classification – mandatorily at FVTPL (non-trading) Financial assets which are managed and whose performance is evaluated on a fair value basis and those that are not classified as measured at amortised cost as described below are measured at FVTPL.
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Subsequent measurement and gains and losses

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(b) Financial assets at amortised cost

Classification

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

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

Subsequent measurement and gains and losses

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Reclassifications

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

iii. Classification, subsequent measurement and gains and losses – Financial liabilities

Financial liabilities are classified as measured at amortised cost.

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

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on derecognition is also recognised in profit or loss.

Loans and borrowings are carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loans and borrowings using the effective interest method.

Redeemable preference shares are classified as a financial liability if they are redeemable on a specific date at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

iv. Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

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 recognised in profit or loss.

3.5 Impairment of non-derivative financial assets

The Group recognises loss allowance for expected credit losses (ECLs) on financial assets measured at amortised costs.

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

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

Simplified approach

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

General approach

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

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

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

Measurement of ECLs

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

3.6 Share capital

Ordinary shares

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

Preference share capital

Redeemable preference shares are classified as equity if they are non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as equity distributions on approval by the Group's shareholders.

3.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

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

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

3.8 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.9 Employee benefits

Defined contribution plans

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

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

Short-term benefits

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

3.10 Revenue recognition

Revenue is recognised in profit or loss as follows:

- (i) Proceeds from divestment, net of direct expenses in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring ownership of the investment to the buyer. The transaction price is the amount of consideration in which the Group expects to be entitled in exchange for transferring the ownership of investments. Revenue is recognised at the point in time where ownership of the investment is transferred over to the buyer. Direct expenses comprise carrying amounts of divestments and related cost directly attributed to divestments;
- (ii) Fund management fees for the provision of investment management services are recognised when the Group satisfies its performance obligation (PO) by providing management services to customers. Performance fees are recognised when earned. Fund management fee rates are applied to the committed capital or committed capital less expenses incurred by its related company to compute the related revenue;
- (iii) Changes in fair value of financial assets measured at FVTPL;
- (iv) Interest income is recognised on an accrual basis except where the collection is contingent upon certain conditions being met, then such income is recognised when received;
- (v) Dividend income is recognised when the right to receive payment is established; and
- (vi) Distribution income from venture capital fund is recognised when right to receive payment is established.

3.11 Leases

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

As a lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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

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

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

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

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

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

The Group presents right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

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

3.12 Finance costs

Finance costs comprise of interest expenses and dividend expense on redeemable preference shares issued classified as financial liabilities.

Interest expense recognised based on the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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

Current tax assets and liabilities are offset only if certain criteria are met.

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

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

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

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

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

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

3.14 New standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

The following amendments to IFRSs are not expected to have a significant impact on the Partnership's statement of financial position.

- Amendments to IAS1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to IAS 7 and IFRS 7: *Supplier Finance Arrangements*
- Amendments to IAS 16: *Lease Liability in a Sale and Leaseback*
- Amendments to IAS 21: *Lack of Exchangeability*

4 Property, plant and equipment

	Leasehold improvements US\$'000	Furniture, fittings and equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
Group				
Cost				
At 1 January 2022	1,521	1,356	92	2,969
Additions	267	55	—	322
Disposal	—	—	(92)	(92)
At 31 December 2022	1,788	1,411	—	3,199
Additions	210	172	—	382
At 31 December 2023	1,998	1,583	—	3,581
Accumulated depreciation				
At 1 January 2022	1,272	1,298	68	2,638
Depreciation for the year	164	52	7	223
Disposal	—	—	(75)	(75)
At 31 December 2022	1,436	1,350	—	2,786
Depreciation for the year	249	73	—	322
At 31 December 2023	1,685	1,423	—	3,108

Group	Leasehold improvements US\$'000	Furniture, fittings and equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
Carrying amounts				
At 1 January 2022	249	58	24	331
At 31 December 2022	352	61	–	413
At 31 December 2023	313	160	–	473

5 Subsidiaries

	Company 2023 US\$'000	2022 US\$'000
Equity investments at cost	1,060,430	788,784
Impairment losses	(39,163)	(39,151)
	<u>1,021,267</u>	<u>749,633</u>

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Ownership interests	2023 %	2022 %
Cresciento Investments Limited	Mauritius	64.6	64.6	
Vertex Master Fund I Pte. Ltd. and its subsidiaries:	Singapore	100	100	
- Vertex Co-Investment Fund Pte. Ltd.	Singapore	100	100	
- Vertex Fund of Funds Pte. Ltd. and its subsidiary:	Singapore	100	100	
- Vertex Equity Pte. Ltd.	Singapore	100	100	
- Vertex Global HC Fund I (C.I.) Ltd	Cayman Islands	51.6	51.6	
- Vertex Global HC Fund I Pte. Ltd.	Singapore	89.9	89.9	
- Vertex Global HC Management Pte. Ltd.	Singapore	100	100	
- Vertex Asia Fund (Singapore) Pte. Ltd. ¹	Singapore	–	100	
- Vertex SEA Fund I Pte. Ltd. ²	Singapore	–	100	
- Global HC GP Ltd	Cayman Islands	100	100	
Vertex Master Fund II (GP) Pte. Ltd.	Singapore	100	100	
Vertex Master Fund (SG) II LP and its subsidiary:	Singapore	74.7	74.7	
- Vertex Master Fund II Pte. Ltd. and its subsidiary:	Singapore	74.7	74.7	
- Vertex Global HC Fund II Pte. Ltd.	Singapore	74.7	74.7	
Vertex Master Fund III (GP) Pte. Ltd.	Singapore	100	100	
Vertex Master Fund (SG) III LP and its subsidiary:	Singapore	91.7	100	
- Vertex Master Fund III Pte. Ltd. and its subsidiaries:	Singapore	91.7	100	
- Vertex Global HC Fund III Pte. Ltd ³ and its subsidiary:	Singapore	91.7	–	
- Vertex HC Investment (S) Pte. Ltd ⁴	Singapore	91.7	–	

Name of subsidiaries	Principal place of business	Ownership interests	
		2023 %	2022 %
Vertex Fund of Funds (II) Pte. Ltd.	Singapore	100	100
Vertex Exploratory Fund Pte. Ltd.	Singapore	100	100
VAF 2 Pte. Ltd.	Singapore	100	100
Vertex Asia Fund Pte. Ltd.	Singapore	100	100
Vertex Investment International (III) Inc and its subsidiary:	British Virgin Islands	100	100
- Vertex International Partners Inc.	British Virgin Islands	100	100
Vertex Technology Fund (III) Ltd	Singapore	100	100
Vertex Asia Investments Pte. Ltd. ⁵	Singapore	—	100
Vertex Asia Growth Ltd	Cayman Islands	100	100
Vertex Venture Management Pte. Ltd. and its subsidiary:	Singapore	100	100
- Vertex India Venture Advisory Private Limited ⁶	India	—	100
Vickers Capital Pte. Ltd. and its subsidiaries:	Singapore	100	100
Vertex Management (II) Pte Ltd	Singapore	100	100
Vertex Management Inc.	United States of America	100	100
Vertex Israel II Management Ltd and its subsidiaries:	Israel	51	51
Novadent Ltd.	Israel	51	51
Vertex III Management (C.I.) Ltd	Cayman Islands	51	51

¹ Vertex Asia Fund (Singapore) Pte. Ltd. was liquidated on 27 September 2023.

² Vertex SEA Fund I Pte. Ltd. was liquidated on 27 September 2023.

³ Vertex Global HC Fund III Pte Ltd was incorporated on 10 August 2022. In operation from 4 April 2023.

⁴ Vertex HC Investment (S) Pte Ltd was incorporated on 5 April 2023.

⁵ Vertex Asia Investments Pte. Ltd. was placed under liquidation on 16 Dec 2022.

⁶ Vertex India Venture Advisory Private Limited was liquidated on 27 September 2023.

Impairment loss

The carrying value of investment in subsidiaries is tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments, the Company evaluates, amongst other factors, the future profitability of the subsidiaries, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

The estimates of the recoverable amount of the investment in subsidiaries were based on their fair value less cost to sell of the underlying net assets. Based on management's assessment, impairment loss of US\$12,000 (2022: US\$40,000) was recognised in the Company's profit or loss during the year.

6 Associates

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Investment in associates	1,520,331	1,546,179	156,200	154,487

At the reporting date, the Group assessed the recoverable amount of its investment in associates with indicators of impairment. Based on management's assessment, no impairment was recognised in the profit or loss of the Group in 2023 and 2022.

Details of the associates are as follows:

Name of associates	Principal activities	Principal place of business	Ownership interests	
			2023	2022
			%	%
Vertex Legacy Fund (SG) LP	Investment holding	Singapore	43.8	43.8
- Vertex Legacy Continuation Fund Pte. Ltd.	Investment holding	Singapore	43.8	43.8
<i>Held by Vertex Master Fund I Pte. Ltd.</i>				
Vertex IV (C.I.) Fund L.P.	Investment holding	Cayman Islands	41.6	41.6
Vertex Ventures US Fund I L.P. #	Investment holding	USA	71.1#	71.1#
Vertex Ventures China III, L.P.	Investment holding	Cayman Islands	49.0	49.0
Vertex Ventures SEA III, L.P. and its subsidiary:	Investment holding	Cayman Islands	38.1	38.1
- Vertex Ventures SEA Fund III Pte. Ltd.	Investment holding	Singapore	38.1	38.1
<i>Held by Vertex Master Fund II Pte. Ltd.</i>				
Vertex Growth (SG) L.P. and its subsidiary	Investment holding	Singapore	49.3	49.3
- Vertex Growth Fund Pte. Ltd.	Investment holding	Singapore	49.3	49.3
Vertex Israel Opportunity Fund L.P.	Investment holding	Cayman Islands	23.5	23.5
Vertex V (C.I.) Fund L.P.	Investment holding	Cayman Islands	41.5	41.5
Vertex Ventures US Fund II L.P.*	Investment holding	USA	71.0*	71.0*
Vertex Ventures China IV L.P.	Investment holding	Cayman Islands	40.0	40.0
Vertex Ventures (SG) SEA IV LP and its subsidiary	Investment holding	Singapore	27.3	27.3
- Vertex Ventures SEA Fund IV Pte. Ltd.	Investment holding	Singapore	27.3	27.3
ChongQing Vertex RuiZhi Equity	Investment holding	China	34.7	34.7

Name of associates	Principal activities	Principal place of business	Ownership interests	
			2023 %	2022 %
<i>Held by Vertex Master Fund III Pte. Ltd.</i>				
Vertex Israel Opportunity II Fund L.P. ¹	Investment holding	Cayman Islands	13.5	13.5
Vertex VI Fund L.P.	Investment holding	Cayman Islands	39.1	39.1
Vertex Ventures US Fund III L.P.^	Investment holding	USA	55.6	55.6
Vertex Growth II (SG) L.P. and its subsidiary ²	Investment holding	Singapore	35.1	35.1
Vertex Growth Fund II Pte. Ltd.	Investment holding	Singapore	35.1	35.1
Vertex Ventures China V L.P. and its subsidiary ³	Investment holding	Cayman Islands	51.2	—
VVC Fund V Pte Ltd ³	Investment holding		Singapore	51.2
Vertex Ventures (SG) SEA V L.P. and its subsidiary ⁴	Investment holding	Singapore	30.6	—
Vertex Ventures SEA Fund V Pte. Ltd.	Investment holding	Singapore	30.6	—
Vertex SEA & India 5W (SG) L.P. and its subsidiary ⁵	Investment holding	Cayman Islands	98.5	—
Vertex SEA & India 5W Fund Pte. Ltd. ⁵	Investment holding	Singapore	98.5	—

¹ Vertex Israel Opportunity II Fund L.P. commenced operations on 11 January 2021. Vertex Israel Opportunity II Fund L.P. is considered an associate despite an interest of less than 20% as the Group has significant influence over the investee.

² Vertex Growth II (SG) L.P. and its subsidiary commenced operations on 8 March 2022.

³ Vertex Ventures China V L.P. and its subsidiary commenced operation on 9 February 2023.

Vertex Ventures China V L.P. (“VVC Fund V”) is managed by the General Partner (“GP”) of VVC Fund V, per the Limited Partnership agreement of VVC Fund V. The Group does not have control via voting rights in VVC Fund V and the GP of VVC Fund V.

⁴ Vertex Ventures (SG) SEA V L.P. and its subsidiary commenced operation on 15 June 2023

⁵ Vertex SEA & India 5W (SG) L.P. and its subsidiary commenced operation on 20 November 2023

Vertex SEA & India 5W (SG) L.P. (“VSEA & I 5W”) is managed by the General Partner (“GP”) of VSEA & I 5W, per the Limited Partnership agreement of VSEA & I 5W. The Group does not have control via voting rights in VSEA & I 5W and the GP of VSEA & I 5W.

[#] Vertex Ventures US Fund I L.P. (“VVUS Fund”) is managed by the General Partner (“GP”) of VVUS Fund, per the management agreement between the GP and VVUS Fund. The Group does not have control via voting rights in VVUS Fund and the GP.

^{*} Vertex Ventures US Fund II L.P. (“VVUS Fund II”) is managed by the General Partner (“GP”) of VVUS Fund II, per the management agreement between the GP and VVUS Fund II. The Group does not have control via voting rights in VVUS Fund II and the GP.

[^] Vertex Ventures US Fund III L.P. (“VVUS Fund III”) is managed by the General Partner (“GP”) of VVUS Fund III, per the management agreement between the GP and VVUS Fund III. The Group does not have control via voting rights in VVUS Fund III and the GP.

The following summarises the financial information of each of the Group's associates based on their respective (consolidated) financial statements prepared in accordance with IFRS and modified for differences in the Group's accounting policies.

31 December 2023

Revenue
Profit/(Loss) from continuing operations
Total comprehensive income
Attributable to investee's shareholders

	364	48	6,951	2,946	–	–	–	–	–
	(75,787)	(7,114)	19,325	19,034	(23,282)	(19,143)	(26,360)	(26,360)	(26,360)
	(75,787)	(7,114)	19,325	19,034	(23,282)	(19,143)	(26,360)	(26,360)	(26,360)
	(75,787)	(7,114)	19,325	19,034	(23,282)	(19,143)	(26,360)	(26,360)	(26,360)

Non-current assets
Non-current liabilities
Current assets
Current liabilities
Net assets
Attributable to investee's shareholders

	270,115	189,286	347,973	446,032	450,940	99,206	276,656	–	–
	1,981	3,979	1,062	3	–	454	1,321	–	–
	(64)	–	(30)	(35)	(3)	(35)	(69)	–	–
	272,032	193,265	349,005	446,000	450,937	99,625	277,908	–	–
	272,032	193,265	349,005	446,000	450,937	99,625	277,908	–	–

Group's interest in net assets of investee at beginning of the year

Group's share of:

- (loss)/profit from continuing operations
- other comprehensive income
- total comprehensive income

Group's contribution during the year
Group's distribution received during the year

Carrying amount of interest in investee at end of the year

	115,257	129,686	140,240	138,788	210,843	22,854	111,475	869,143	–
	(25,234)	(4,874)	7,575	5,802	(9,719)	(3,438)	(8,731)	(38,619)	(38,619)
	(25,234)	(4,874)	7,575	5,802	(9,719)	(3,438)	(8,731)	(38,619)	(38,619)
	600	2,500	1,760	2,160	6,378	–	1,200	14,598	14,598
	–	(4,623)	(3,408)	(1,894)	–	–	–	(9,925)	(9,925)
	90,623	122,689	146,167	144,856	207,502	19,416	103,944	835,197	835,197

Vertex Venture Holdings Ltd and its subsidiaries
Financial statements
Year ended 31 December 2023

	Vertex Ventures US Fund II L.P. US\$'000	Vertex Ventures China IV L.P. US\$'000	Vertex (SG) SEA IV LP and its subsidiary US\$'000	ChongQing Vertex RuiZhi Equity US\$'000	Vertex Legacy Fund (SG) LP and its subsidiary US\$'000	Vertex Israel Opportunity II Fund L.P. US\$'000	Vertex Ventures VI Fund L.P. US\$'000	Vertex Ventures US Fund III L.P. US\$'000	Vertex Growth II (SG) L.P. and its subsidiary US\$'000	Total brought forward US\$'000
31 December 2023										
Revenue	–	–	–	923	–	–	–	370	–	–
Profit/(Loss) from continuing operations	(21,248)	(14,396)	(22,354)	12,642	(65,565)	(6,752)	(17,194)	(3,110)	(9,418)	–
Total comprehensive income	(21,248)	(14,396)	(22,354)	12,642	(65,565)	(6,752)	(17,194)	(3,110)	(9,418)	–
Attributable to investee's shareholders	(21,248)	(14,396)	(22,354)	12,642	(65,565)	(6,752)	(17,194)	(3,110)	(9,418)	–
Non-current assets	280,262	480,352	213,796	–	352,729	106,087	131,238	51,751	113,123	–
Non-current liabilities	–	–	–	–	–	–	–	–	–	–
Current assets	2,827	3,550	3,050	78,438	55	4,073	4,285	2,704	–	–
Current liabilities	–	(2,491)	(3)	(5)	(14)	(30)	(64)	–	(3)	–
Net assets	283,089	481,411	216,843	78,433	352,770	110,130	135,459	54,455	113,120	–
Attributable to investee's shareholders	283,089	481,411	216,843	78,433	352,770	110,130	135,459	54,455	113,120	–
Group's interest in net assets of investee at beginning of the year	869,143	184,558	178,262	56,051	26,613	122,874	15,171	46,377	28,515	1,546,179
Group's share of:										
- profit/(loss) from continuing operations	(38,619)	(12,069)	(4,487)	2,436	(45,898)	(667)	(5,930)	(1,774)	(3,274)	(115,267)
- other comprehensive income	–	–	–	–	–	–	–	–	–	–
- total comprehensive income	(38,619)	(12,069)	(4,487)	2,436	(45,898)	(667)	(5,930)	(1,774)	(3,274)	(115,267)
Group's contribution during the year	14,598	5,000	983	8,317	–	1,951	12,600	4,880	24,371	72,700
Group's distribution received during the year	(9,925)	–	–	(199)	–	(237)	–	–	–	(10,361)
Carrying amount of interest in investee at end of the year	835,197	177,489	174,758	59,184	29,049	78,690	53,047	31,621	39,712	1,493,251

Vertex Venture Holdings Ltd and its subsidiaries
Financial statements
Year ended 31 December 2023

	Vertex Ventures China V L.P. and its subsidiary US\$'000	Vertex Ventures SEA & India 5W V L.P. and its (SG) LP and its subsidiary US\$'000	Vertex Ventures SEA & India 5W V L.P. and its (SG) LP and its subsidiary US\$'000	Total US\$'000
31 December 2023				
Revenue	–	–	–	–
Profit/(Loss) from continuing operations	(8,170)	(6,007)	(187)	(8,364)
Total comprehensive income	(8,170)	(6,007)	(187)	(14,364)
Attributable to investee's shareholders	(8,170)	(6,007)	(187)	(14,364)
Non-current assets	42,386	15,756	591	58,733
Non-current liabilities	–	–	–	–
Current assets	5	28	2	35
Current liabilities	(35)	(86)	(4)	(125)
Net assets	42,356	15,698	589	58,643
Attributable to investee's shareholders	42,356	15,698	589	58,643
Group's interest in net assets of investee at beginning of the year	1,546,179	–	–	1,546,179
Group's share of:				
- profit/(loss) from continuing operations	(115,267)	(4,378)	(186)	(121,627)
- other comprehensive income	–	–	–	–
- total comprehensive income	(115,267)	(4,378)	(186)	(121,627)
Group's contribution during the year	72,700	26,081	767	106,140
Group's distribution received during the year	(10,361)	–	–	(10,361)
Carrying amount of interest in investee at end of the year	1,493,251	21,703	581	1,520,331

Vertex Venture Holdings Ltd and its subsidiaries
Financial statements
Year ended 31 December 2023

31 December 2022

Revenue
Profit/(Loss) from continuing operations
Total comprehensive income
Attributable to investee's shareholders

Non-current assets
Non-current liabilities
Current assets
Current liabilities
Net assets
Attributable to investee's shareholders

Group's interest in net assets of investee at beginning of the year

Group's share of:
- (loss)/profit from continuing operations
- other comprehensive income
- total comprehensive income
Group's contribution during the year
Group's distribution received during the year
Carrying amount of interest in investee at end of the year

	Vertex III (C.I.) Fund L.P. US\$'000	Vertex IV (C.I.) Fund L.P. US\$'000	Vertex Ventures US Fund I L.P. US\$'000	Vertex Ventures China III, L.P. US\$'000	Vertex Ventures SEA III, L.P. and its subsidiary US\$'000	Vertex Growth (SG) L.P. and its subsidiary US\$'000	Vertex Israel Opportunity Fund L.P. US\$'000	Vertex V (C.I.) Fund L.P. US\$'000	Total carried forward US\$'000
Revenue	—	14,402	25	12,310	—	—	962	10,456	
Profit/(Loss) from continuing operations	—	(42,550)	(51,461)	2,361	104,200	92,069	(5,125)	(27,173)	
Total comprehensive income	—	(42,550)	(51,461)	2,361	104,200	92,069	(5,125)	(27,173)	
Attributable to investee's shareholders	—	(42,550)	(51,461)	2,361	104,200	92,069	(5,125)	(27,173)	
Non-current assets	—	345,116	202,550	332,725	426,293	461,174	117,567	300,085	
Non-current liabilities	—	—	—	—	—	—	—	—	
Current assets	—	1,337	820	1,123	3	—	1,235	2,376	
Current liabilities	—	(75)	(5)	(794)	(28)	(5)	(33)	(1,086)	
Net assets	—	346,378	203,365	333,054	426,268	461,169	118,769	301,375	
Attributable to investee's shareholders	—	346,378	203,365	333,054	426,268	461,169	118,769	301,375	
Group's interest in net assets of investee at beginning of the year	288	187,817	159,052	144,170	104,731	157,525	24,904	117,476	895,963
Group's share of:									
- (loss)/profit from continuing operations	5	(14,167)	(29,366)	901	31,756	38,614	(904)	(9,001)	17,838
- other comprehensive income	—	—	—	—	—	—	—	—	—
- total comprehensive income	5	(14,167)	(29,366)	901	31,756	38,614	(904)	(9,001)	17,838
Group's contribution during the year	—	600	—	3,520	5,600	21,100	200	3,000	34,020
Group's distribution received during the year	(293)	(58,993)	—	(8,351)	(3,299)	(6,396)	(1,346)	—	(78,678)
Carrying amount of interest in investee at end of the year	—	115,257	129,686	140,240	138,788	210,843	22,854	111,475	869,143

Vertex Venture Holdings Ltd and its subsidiaries
Financial statements
Year ended 31 December 2023

	Vertex Ventures US Fund II L.P.	Vertex Ventures US Fund III L.P.	Vertex Ventures US Fund IV L.P.	Vertex Ventures (SG) SEA IV LP and its subsidiary	ChongQing Vertex RuiZhi Equity	Vertex Legacy Fund (SG) LP and its subsidiary	Vertex Israel Opportunity II Fund L.P.	Vertex Ventures II (SG) L.P. and its subsidiary	Vertex Growth US Fund III L.P. and its subsidiary	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
31 December 2022										
Revenue	35	139	—	—	169	—	531	—	144	—
Profit/(Loss) from continuing operations	(63,323)	49,915	(5,008)	(5,008)	12,757	(93,272)	(11,270)	9,599	(4,744)	(8,292)
Total comprehensive income	(63,323)	49,915	(5,008)	(5,008)	12,757	(93,272)	(11,270)	9,599	(4,744)	(8,292)
Attributable to investee's shareholders	(63,323)	49,915	(5,008)	(5,008)	12,757	(93,272)	(11,270)	9,599	(4,744)	(8,292)
Non-current assets	297,287	487,668	209,417	—	—	415,585	127,141	117,660	38,696	52,991
Non-current liabilities	—	—	—	—	—	—	—	—	—	—
Current assets	25	5,520	—	—	76,914	56	5,751	5,356	11,310	21
Current liabilities	(17)	(20)	(3)	(3)	(12)	(10)	(31)	(2,556)	—	(40)
Net assets	297,295	493,168	209,414	209,414	76,902	415,631	132,861	120,460	50,006	52,972
Attributable to investee's shareholders	297,295	493,168	209,414	209,414	76,902	415,631	132,861	120,460	50,006	52,972
Group's interest in net assets of investee at beginning of the year	895,963	216,527	150,555	40,320	24,462	187,022	15,913	33,784	7,418	—
Group's share of:										
- profit/(loss) from continuing operations	17,838	(35,969)	15,977	(1,084)	2,151	(64,148)	(1,842)	2,993	(2,335)	(69,304)
- other comprehensive income	—	—	—	—	—	—	—	—	—	—
- total comprehensive income	17,838	(35,969)	15,977	(1,084)	2,151	(64,148)	(1,842)	2,993	(2,335)	(69,304)
Group's contribution during the year	34,020	4,000	11,730	16,815	—	—	1,400	9,600	23,432	21,500
Group's distribution received during the year	(78,678)	—	—	—	—	—	(300)	—	—	(78,978)
Carrying amount of interest in investee at end of the year	869,143	184,558	178,262	56,051	26,613	122,874	15,171	46,377	28,515	1,546,179

7 Other investments

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Non-trading investments mandatorily at FVTPL				
Quoted equity securities	66,867	77,084	—	—
Unquoted equity securities	185,853	169,572	258	258
Venture funds	141,854	144,241	—	—
	<u>394,574</u>	<u>390,897</u>	<u>258</u>	<u>258</u>

8 Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	7,544	10,007	—	—
Deposits	674	693	—	—
Tax recoverable	600	1,523	3	44
Amounts due from subsidiaries (non-trade)	—	—	1,308	124,135
Other receivables	433	1,738	—	1,415
	<u>9,251</u>	<u>13,961</u>	<u>1,311</u>	<u>125,594</u>
Prepayments	191	191	—	—
	<u>9,442</u>	<u>14,152</u>	<u>1,311</u>	<u>125,594</u>
Current	<u>9,442</u>	<u>14,152</u>	<u>1,311</u>	<u>125,594</u>

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

9 Financial derivatives

	2023	2022
	US\$'000	US\$'000
Group and Company		
Cross currency swaps	<u>6,507</u>	<u>4,358</u>

The Group and Company entered into cross currency swaps to partially hedge against the foreign currency exposure on the SGD-denominated unsecured bonds issued. The cross currency swaps will mature on 2028 and are accounted for as financial derivatives measured at fair value, with changes therein recognised in profit or loss.

10 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank and in hand	33,956	51,648	1,655	6,209
Fixed deposits	70,834	91,511	5,658	50,414
	<u>104,790</u>	<u>143,159</u>	<u>7,313</u>	<u>56,623</u>

As at the reporting date, the weighted average effective interest rate per annum relating to fixed deposits for the Group and the Company ranges from 4.17% to 5.23% (2022: 0.09% to 4.68%). Fixed deposits are repriced every 1 to 3 months (2022: 1 to 3 months).

11 Share capital

	Ordinary shares No. of shares	Class A USD redeemable preference shares No. of shares	Class A SGD redeemable preference shares No. of shares
Company			
In issue at 1 January 2022	1,400,000,000	914,116	200,715
Redemption of redeemable preference shares	—	(250,000)	—
In issue at 31 December 2022	<u>1,400,000,000</u>	<u>664,116</u>	<u>200,715</u>
In issue at 1 January 2023	1,400,000,000	664,116	200,715
Issue of redeemable preference shares	—	500,000	—
In issue at 31 December 2023	<u>1,400,000,000</u>	<u>1,164,116</u>	<u>200,715</u>

All issued shares are fully paid, with no par value.

Ordinary shares

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Redeemable preference shares

The holder of Class A redeemable preferred shares (Class A RPS) is entitled to receive dividends and the RPS are redeemable, in full or part, at any time at the option of the Company. The holders of RPS carry the right to vote *pari passu* with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class A RPS will receive dividends in accordance with the profit distribution structure set out in the Constitution.

In 2022, the Company redeemed 250,000 USD Class A RPS at the redemption price of US\$100.00 per share.

In 2023, the Company issued 500,000 USD Class A RPS at the issue price of US\$100.00 per share.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class A RPS will be redeemed in preference to holders of the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

Capital management

The Group defines capital as share capital and retained earnings.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholders value. The Group has determined that it is in a sound capital position given its capital and resources available. The Group monitors the capital requirements to ensure that it is able to support its existing business as well as new investment opportunities that may arise.

There were no changes in the Group's approach to capital management during the year. The Company and its subsidiaries are not subject to externally imposed capital requirements.

Realised and unrealised gain/(loss) from non-trading investments designated at FVTPL

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends. The following table presents changes to the Group's realised and unrealised retained earnings:

	Unrealised US\$'000	Realised US\$'000	Total US\$'000
At 1 January 2022	907,486	417,105	1,324,591
Loss for the year excluding net gain/(loss) from investments at FVTPL	—	(38,793)	(38,793)
Net gain from subsidiaries' investments at FVTPL	(77,106)	(9,292)	(86,398)
Net gain from associates' investments at FVTPL	(50,630)	—	(50,630)
Realisation of net gain from subsidiaries' investments at FVTPL	(20,614)	20,614	—
Realisation of net gain from associates' investments at FVTPL	(11,100)	11,100	—
Provision of foreign tax on gain of subsidiaries' investments	2,837	(2,837)	—
	(156,613)	(19,208)	(175,821)
Interim dividend declared	—	(43,284)	(43,284)
At 31 December 2022	750,873	354,613	1,105,486

Vertex Venture Holdings Ltd and its subsidiaries
Financial statements
Year ended 31 December 2023

	Unrealised US\$'000	Realised US\$'000	Total US\$'000
At 1 January 2023	750,873	354,613	1,105,486
Loss for the year excluding net gain/(loss) from investments at FVTPL	–	(54,529)	(54,529)
Net loss from subsidiaries' investments at FVTPL	(18,768)	(5,863)	(24,631)
Net loss from associates' investments at FVTPL	(79,493)	–	(79,493)
Realisation of net gain from subsidiaries' investments at FVTPL	(6,911)	6,911	–
Realisation of net gain from associates' investments at FVTPL	(835)	835	–
Provision of foreign tax on gain of subsidiaries' investments	198	(198)	–
	(105,809)	(52,844)	(158,653)
Interim dividend declared	–	–	–
At 31 December 2023	645,064	301,769	946,833

The unrealised retained earnings relate to accumulated fair value changes of non-trading investments designated at FVTPL held at the reporting date. All other items of profits/(losses) for the year are categorised as realised.

Dividends

The following exempt (one-tier) dividends were declared by the Group and Company:

Payable by the Company to owner of the Company

	Group 2023 US\$'000	2022 US\$'000
US\$NIL (2022: US\$47.35) per share declared in 2023 for the year ended 31 December 2023	–	43,284

Paid by a subsidiary to non-controlling interests

	Group 2023 US\$'000	2022 US\$'000
Tax exempt (one-tier) dividend for 2023 of US\$16.50 (2022: US\$331) per share	60	3,327

12 Reserves

Merger reserve

The merger reserve arises from acquisition of subsidiaries under common control and the amount represents the differences between the consideration paid and the capital of the respective acquirees.

Foreign currency translation reserve

The foreign currency translation reserve comprises:

- (i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company; and
- (ii) the exchange differences on monetary items which form part of the Group's net investment in the foreign operation, provided certain conditions are met.

13 Redeemable preference shares

	2023		2022	
	Carrying amount US\$'000	Face value US\$'000	Carrying amount US\$'000	Face value US\$'000
Group and Company				
Redeemable preference shares	47,176	47,176	51,951	51,951

The holder of Class B redeemable preferred shares (Class B RPS) is entitled to receive preference dividend at a specified rate for that calendar year and the Class B RPS are redeemable, in full or part, at any time at the option of the Company or on 19 January 2026.

The holders of Class B RPS carry the right to vote *pari passu* with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class B RPS will receive preference dividends payable annually out of profits of the Company as set out in the Constitution.

In 2023, the Company redeemed 47,749 (2022: nil) at the redemption price of US\$100.00.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class B RPS will be redeemed in preference to holders of the Class A RPS and the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

14 Loans and borrowings

	Group and Company	
	2023	2022
	US\$'000	US\$'000
Non-current liabilities		
Unsecured bonds	341,271	334,672
Current liabilities		
Unsecured bank loans	78,600	38,600

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

				2023		2022	
Currency	Nominal interest rate %	Year of maturity	Face value US\$'000	Carrying amount US\$'000	Face value US\$'000	Carrying amount US\$'000	
Group and Company							
Unsecured bonds	S\$	3.30	2028	341,271	341,271	334,672	334,672
Unsecured bank loans	US\$	5.20 – 7.38	2024	78,600	78,600	38,600	38,600
Total loans and borrowings				419,871	419,871	373,272	373,272

The bonds, S\$450,000,000 3.30% Notes due 2028, issued on 28 July 2021 are issued under Vertex Venture Holdings Ltd's US\$2,000,000,000 Multicurrency Debt Issuance Programme (the "Programme") established on 12 July 2021.

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

	Liabilities				Total US\$'000
	Loans and borrowings US\$'000	Accrued interest payables US\$'000	Lease liabilities US\$'000	Class B redeemable preference shares US\$'000	
Balance at 1 January 2022	332,914	8,085	1,289	51,951	394,239
Changes from financing cash flows					
Proceeds from bank loans	38,600	–	–	–	38,600
Payment of lease liabilities	–	–	(1,031)	–	(1,031)
Dividend paid	–	(5,290)	–	–	(5,290)
Interest paid	–	(12,102)	(182)	–	(12,284)
Total changes from financing cash flows	38,600	(17,392)	(1,213)	–	19,995
Effect of changes in foreign exchange rates	1,758	98	–	–	1,856

	Liabilities				Total US\$'000
	Loans and borrowings US\$'000	Accrued interest payables US\$'000	Lease liabilities US\$'000	Class B redeemable preference shares US\$'000	
Non-cash changes					
New lease	–	–	1,296	–	1,296
Lease reassessments	–	–	2,982	–	2,982
Dividend expense	–	5,887	–	–	5,887
Finance costs	–	12,134	182	–	12,316
Total non-cash changes	–	18,021	4,460	–	22,481
Balance at 31 December 2022	373,272	8,812	4,536	51,951	438,571
Balance at 1 January 2023	373,272	8,812	4,536	51,951	438,571
Changes from financing cash flows					
Proceeds from bank loans	40,000	–	–	–	40,000
Payment of lease liabilities	–	–	(1,298)	–	(1,298)
Redemption of redeemable preference shares	–	–	–	(4,775)	(4,775)
Interest paid	–	(11,485)	(228)	–	(11,713)
Dividend paid	–	(6,295)	–	–	(6,295)
Total changes from financing cash flows	40,000	(17,780)	(1,526)	(4,775)	15,919
Effect of changes in foreign exchange rates	6,599	131	–	–	6,730
Non-cash changes					
Interest expenses	–	11,373	228	–	11,601
Dividend expense	–	6,778	–	–	6,778
Total non-cash changes	–	18,151	228	–	18,379
Balance at 31 December 2023	419,871	9,314	3,238	47,176	475,599

15 Deferred tax

Deferred tax is attributable to the following:

	At 1/1/2022 US\$'000	Recognised in profit or loss (Note 23) US\$'000	At 31/12/2022 US\$'000	Recognised in profit or loss (Note 23) US\$'000	At 31/12/2023 US\$'000
Group and Company					
Deferred tax liability					
Unremitted interest income	(317)	–	(317)	–	(317)

The following items have not been included in the computation of deferred tax assets recognised:

	Group	
	2023	2022
	US\$'000	US\$'000
Unutilised tax losses	66,332	71,726

Deferred tax assets have not been recognised in respect of unutilised tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

16 Other long-term liabilities

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Dividend payable to immediate holding company	25,032	25,032	25,032	25,032
Amount due to a related company (non-trade)	—	—	6,229	6,229
	<u>25,032</u>	<u>25,032</u>	<u>31,261</u>	<u>31,261</u>

The non-trade amount due to a related company is unsecured, interest-free and not repayable within the next 12 months.

17 Leases

The Group leases office premises. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are renegotiated every 3 years to reflect market rentals.

The Group leases photocopiers and certain office premises with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	Office premises	
	2023	2022
	US\$'000	US\$'000
Balance at 1 January	4,475	1,256
Addition	—	1,459
Lease reassessments	—	2,982
Depreciation for the year	(1,413)	(1,222)
Balance at 31 December	<u>3,062</u>	<u>4,475</u>

	2023 US\$'000	2022 US\$'000
Lease liabilities		
Non-current	1,771	3,175
Current	1,467	1,361
	<u>3,238</u>	<u>4,536</u>

Amounts recognised in profit or loss

	2023 US\$'000	2022 US\$'000
Interest expense on lease liabilities	228	182
Expenses relating to short-term leases	351	404
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	9	6

Amounts recognised in statement of cash flows

	2023 US\$'000	2022 US\$'000
Total cash outflow for leases	<u>1,886</u>	<u>1,623</u>

18 Provisions

Group	Performance incentives US\$'000	Restoration costs US\$'000	Unutilised leave balance US\$'000	Total US\$'000
2023				
At 1 January	10	319	371	700
Provision made	1,386	—	9	1,395
Provision utilised	(1,386)	—	—	(1,386)
At 31 December	<u>10</u>	<u>319</u>	<u>380</u>	<u>709</u>
Non-current	—	319	—	319
Current	<u>10</u>	<u>—</u>	<u>380</u>	<u>390</u>
	<u>10</u>	<u>319</u>	<u>380</u>	<u>709</u>
2022				
At 1 January	32	156	425	613
Provision made	1,420	163	—	1,583
Provision reversed	—	—	(28)	(28)
Provision utilised	(1,442)	—	(26)	(1,468)
At 31 December	<u>10</u>	<u>319</u>	<u>371</u>	<u>700</u>
Non-current	—	319	—	319
Current	<u>10</u>	<u>—</u>	<u>371</u>	<u>381</u>
	<u>10</u>	<u>319</u>	<u>371</u>	<u>700</u>

19 Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	5,651	6,089	—	8
Accrued expenses	2,422	6,394	5,947	5,464
Accrued interest payables	9,314	8,812	3,370	4,767
Accrued incentives	5,351	4,774	—	—
Amounts due to subsidiaries (non-trade)	—	—	95,118	61,340
GST payables	247	516	—	—
Other payables	3,564	5,291	505	501
	<u>26,549</u>	<u>31,876</u>	<u>104,940</u>	<u>72,080</u>

Accrued incentives relates to staff incentives which are computed based on an approved incentive plan.

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

20 Revenue

	Group	
	2023	2022
	US\$'000	US\$'000
Proceeds from divestments of investments at FVTPL	11,832	26,950
Carrying amounts attributable to divested investments at FVTPL	<u>(9,338)</u>	<u>(35,142)</u>
Gain/(Loss) on divestment of investments at FVTPL	2,494	(8,192)
Direct expenses	—	(35)
Net gain/(loss) on divestment of investments at FVTPL	<u>2,494</u>	<u>(8,227)</u>
Distribution income from venture capital funds	8,519	9,994
Dividend income	223	—
Interest income from bank and other deposits	3,156	1,950
Fund management and performance fees	<u>24,107</u>	<u>21,485</u>
	<u>38,499</u>	<u>25,202</u>

Realised and unrealised gain/(loss) from non-trading investments designated at FVTPL

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends (refer to Note 11).

The Group defines realised and unrealised net gains/losses from non-trading investments designated at FVTPL as follows:

- Realised net gain/(loss) represents the difference between the initial carrying amounts of investments disposed during the period and the disposal amount. The initial carrying amount of an investment is determined using the weighted-average method.
- Unrealised net gain/(loss) comprises current period changes in the fair value of investments held at the reporting date and from reversal of prior period's cumulative unrealised gain/loss realised through disposals in the current reporting period.

21 Finance costs

	Group	
	2023	2022
	US\$'000	US\$'000
Dividend expense on redeemable preference shares	6,778	5,887
Interest expense on bonds	11,373	11,211
Interest expense on bank loans	3,514	923
Interest expense on lease liabilities	228	182
	21,893	18,203

22 Loss before tax

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

	Group	
	2023	2022
	US\$'000	US\$'000
Included in staff costs:		
Contributions to defined contribution plans	(358)	(333)
Included in other operating expenses:		
Audit fees paid/payable to:		
- auditors of the Group and other firms affiliated with KPMG International Limited	(146)	(141)
- other auditors	(54)	(50)
Non-audit fees paid/payable to:		
- auditors of the Group and other firms affiliated with KPMG International Limited	(28)	(62)
- other auditors	(5)	(5)
Foreign exchange loss	(7,148)	(2,046)
Depreciation of property, plant and equipment	(322)	(223)
Depreciation of right-of-use assets	(1,413)	(1,222)
Gain on disposal of property, plant and equipment	—	35
Included in other income:		
Gain from liquidated subsidiaries	3,282	—

23 Tax expense

	Group	
Note	2023 US\$'000	2022 US\$'000
Current tax expense		
Current year	1,150	985
Under/(Over) provided in prior years	—	(166)
	<u>1,150</u>	<u>819</u>
 Reconciliation of effective tax rate		
Loss before tax	(174,248)	(176,267)
Tax using the Singapore tax rate at 17% (2022: 17%)	(29,622)	(29,966)
Effect of different tax rates in foreign jurisdiction	(31)	212
Effects of results of associates presented net of tax	20,677	11,782
Income not subject to tax	(1,186)	(1,466)
Non-deductible expenses	6,032	6,733
Utilisation of previously unrecognised tax losses	(917)	—
Effect of tax benefits not recognised	—	4,107
Losses not available for carry forward	7,082	10,194
Tax incentives*	(885)	(611)
Over provided in prior years	—	(166)
	<u>1,150</u>	<u>819</u>

* Certain subsidiaries have been granted Enhanced – Tier Fund Tax Incentives scheme under Section 13U of the Singapore Income Tax Act 1947. Subject to certain terms and conditions laid down under the Enhanced – Tier Fund Tax Incentives scheme, income from qualifying activities is exempt from income tax.

24 Commitments

At the reporting date, the Group had the following outstanding commitments:

	Group	
	2023 US\$'000	2022 US\$'000
Investment commitments		
Associates	746,994	979,056
Unquoted equity investments	15,723	1,226
Venture capital funds	34,643	40,218
	<u>797,360</u>	<u>1,020,500</u>

The Group has uncalled capital commitments for the acquisitions of investments from its immediate holding company of approximately US\$391,834,000 (2022: US\$437,318,000).

The Company has uncalled capital commitments to its subsidiaries of approximately US\$966,372,000 (2022: US\$1,274,727,000).

25 Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related party transactions

Other than the information disclosed elsewhere in the financial statements, there were no other significant transactions between the Group and its related parties in the year.

Key management personnel compensation

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company.

The key management personnel compensation included in staff costs is as follows:

	Group	
	2023	2022
	US\$'000	US\$'000
Directors' fees	527	587
Short-term employee benefits	5,808	8,994
	<u>6,335</u>	<u>9,581</u>

26 Financial instruments

Risk management objectives and policies

Overview

The Group's principal businesses are in venture capital fund investment and venture capital fund management. It operates in Asia Pacific, US, Europe and Israel where investments are made and revenues are generated in various currencies. The Group invests mainly in equity securities of private companies in various industries, sectors and geographical location. Exposure to investment, credit, liquidity, foreign exchange and interest rate risks arises in the normal course of the Group's business. The Group's risk management approach is to minimise the potential adverse effects of these risk factors on the Group's financial performance.

The Group's major risks include but are not limited to the following:

Investment risk

The Group's investments include start-up or early stage of growth companies which involves substantial risks. These companies have little or no operating history, track records and resources, and established products. A significant length of time is required for the Group to realise these investments.

The venture capital investments which includes companies in technology sectors, mainly in the Internet/Mobile/Media/Social Networking, Technology, Clean-technology, Manufacturing and Electronics, Health-care, Services and Others, which are subject to rapid changes and technological advances. In addition, these investments may be concentrated on a limited number of companies, specific regions or industry sectors.

As the Group's investments are in unlisted investee companies, there may be limited avenues available to the Group to divest such investments. Some of the possible avenues to realise these unlisted investments are by way of an initial public offering, acquisition by a listed company or trade sale. However, there is no assurance that the Group will be able to realise its investments by way of an initial public offering, acquisition by a listed company or trade sale.

The Group mitigates its investment risks through stringent selection of investment opportunities and proper structuring of the investment transaction. The fund managers play a lead role in the investment origination process, developing close working relationships with the investee companies and providing guidance and assistance on the strategic and operational matters of the investee companies. Investment committees are established to review and approve all investment proposals.

The Group has a portfolio of listed investments arising from its investments in unlisted companies having achieved liquidity either through an initial public offering or through acquisition by a listed company. Share prices of these companies are subject to fluctuations due to volatility in the stock markets, market reactions to reported financial results, outlook of technology sector and industries of these investee companies.

The Group monitors daily changes in the share prices and news reported on the listed investments for divestment decision-making. In the divestment decision-making process, the Group also takes into account the trading window (when applicable) and trading volume of each listed security as well as analyst recommendations.

Credit risk

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

The carrying amounts of financial assets represent the Group's maximum exposure to credit risk. At the reporting date, there were no significant concentrations of credit risk due from third parties, other than the placement of excess cash with banks and financial institutions.

The maximum exposure to credit risk at the reporting date was as follows:

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	8,651	12,438	1,308	125,550
Cash and cash equivalents	104,790	143,159	7,313	56,623
	<u>113,441</u>	<u>155,597</u>	<u>8,621</u>	<u>182,173</u>

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The Group's review includes financial information and past trend of payments, where applicable. The Group considers all of its customers to have a low risk of default.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of three months for customers.

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables.

Other receivables

The Group uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis; and the amount of the allowance is insignificant.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of US\$104,790,000 and US\$7,313,000 respectively at 31 December 2023 (2022: US\$143,159,000 and US\$56,623,000 respectively). The cash and cash equivalents are held with reputable banks and financial institution counterparties which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Financial derivatives

Cross currency swaps are entered into with banks which are regulated.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of funding are mainly capital injection from immediate holding company and proceeds from divestments/return of capital as well as dividends received. The Group also has uncommitted banking facilities that are mainly used for bridging purposes.

The Group manages the liquidity structure of its assets, liabilities and commitments so that cash flows are appropriately balanced and the Group will always have sufficient liquidity to finance its operations and meet all funding obligations when due. Liquidity is managed on a daily basis.

The following are the contractual maturities of financial liabilities.

	Carrying amount US\$'000	Contractual cash flows US\$'000	Within 1 year US\$'000	1 to 2 years US\$'000	2 to 5 years US\$'000	More than 5 years US\$'000
Group						
31 December 2023						
Non-derivative financial liabilities						
Trade and other payables	26,549	(26,549)	(26,549)	—	—	—
Loans and borrowings	419,871	(471,420)	(95,553)	(11,532)	(364,335)	—
Lease liabilities	3,238	(3,458)	(1,618)	(1,618)	(222)	—
Redeemable preference shares	47,176	(58,848)	(5,836)	(53,012)	—	—
Other long-term liabilities	25,032	(25,032)	—	(25,032)	—	—
	<u>521,866</u>	<u>(585,307)</u>	<u>(129,556)</u>	<u>(91,194)</u>	<u>(364,557)</u>	<u>—</u>
31 December 2022						
Non-derivative financial liabilities						
Trade and other payables	31,876	(31,876)	(31,876)	—	—	—
Loans and borrowings	373,272	(482,336)	(51,369)	(12,588)	(37,764)	(380,615)
Lease liabilities	4,536	(4,977)	(1,587)	(1,587)	(1,803)	—
Redeemable preference shares	51,951	(67,536)	(5,195)	(5,195)	(57,146)	—
Other long-term liabilities	25,032	(25,032)	—	(25,032)	—	—
	<u>486,667</u>	<u>(611,757)</u>	<u>(90,027)</u>	<u>(44,402)</u>	<u>(96,713)</u>	<u>(380,615)</u>

Company	Carrying amount US\$'000	Contractual cash flows US\$'000	Within 1 year US\$'000	1 to 2 years US\$'000	2 to 5 years US\$'000	More than 5 years US\$'000
31 December 2023						
Non-derivative financial liabilities						
Trade and other payables	104,940	(104,940)	(104,940)	—	—	—
Loans and borrowings	419,871	(471,420)	(95,553)	(11,532)	(364,335)	—
Redeemable preference shares	47,176	(58,848)	(5,836)	(53,012)	—	—
Other long-term liabilities	31,261	(31,261)	—	(31,261)	—	—
	<u>603,248</u>	<u>(666,469)</u>	<u>(206,329)</u>	<u>(95,805)</u>	<u>(364,335)</u>	<u>—</u>
31 December 2022						
Non-derivative financial liabilities						
Trade and other payables	72,080	(72,080)	(72,080)	—	—	—
Loans and borrowings	373,272	(482,336)	(51,369)	(12,588)	(37,764)	(380,615)
Redeemable preference shares	51,951	(67,536)	(5,195)	(5,195)	(57,146)	—
Other long-term liabilities	31,261	(31,261)	—	(31,261)	—	—
	<u>528,564</u>	<u>(653,213)</u>	<u>(128,644)</u>	<u>(49,044)</u>	<u>(94,910)</u>	<u>(380,615)</u>

Foreign currency risk

The Group is exposed to foreign currency risk on investments, operating expenses and borrowings that are denominated in a currency other than its global trading currency which is the US dollar. The Group's venture capital fund investment activities are exposed to foreign currency risk, where the investments made in various currencies are dependent on the currency of realisation of these investments. For investments which is subsequently listed, the currency in which the investment is realised depends on the location of the exchange and the currency in which the investment is listed.

Apart from the foreign currency exposures on loans and borrowings, the Group does not hedge its foreign currency exposure as the nature of its business makes it difficult to forecast the timing and quantum related to the realisation of the investments as well as the currency in which the realisation would be made. Foreign currency exposure is regarded as an integral part of its investment risks and any gain or loss forms part of its investment returns.

The Group is also exposed to foreign currency fluctuations as the source of capital funding includes Euro, Hong Kong dollar, Taiwan dollar, Singapore dollar, Chinese yuan, Indian rupee, Norwegian krone, Japanese yen and Israeli shekel. It is difficult for the Group to hedge against such foreign currency exposure as the timing and quantum of returns are not predictable.

Financial derivatives – cross currency swaps

The Group has entered into cross currency swaps to partially hedge against the foreign currency risk exposures arising from the loans and borrowings denominated in Singapore dollar. The cross currency swaps will mature by 2028 and are accounted for as financial derivatives measured at fair value, with changes therein recognised in profit or loss.

At the reporting date, the Group's exposures to foreign currencies were primarily as follows based on notional amounts:

Group	Euro	Singapore	Chinese yuan
	US\$'000	dollar	US\$'000
		US\$'000	
2023			
Other investments	32,692	10,530	40,597
Cash and cash equivalents	—	6,676	6,092
Trade and other receivables	—	2,642	2,079
Trade and other payables	—	(12,632)	(1,586)
Lease liabilities	—	(3,238)	—
Loans and borrowings	—	(341,271)	—
Other long-term liabilities	—	—	—
Net statement of financial position exposure	32,692	(337,293)	47,182
Cross currency swaps	—	100,000	—
Net exposure	32,692	(237,293)	47,182
2022			
Other investments	23,649	29,512	48,683
Cash and cash equivalents	—	4,846	50
Trade and other receivables	—	3,618	2,300
Trade and other payables	—	(14,993)	(790)
Lease liabilities	—	(4,536)	—
Loans and borrowings	—	(334,672)	—
Other long-term liabilities	—	(319)	—
Net statement of financial position exposure	23,649	(316,544)	50,243
Cross currency swaps	—	100,000	—
Net exposure	23,649	(216,544)	50,243

At the reporting date, the Company's exposure to foreign currencies was as follows based on notional amounts:

Company	Singapore dollar	
	2023	2022
	US\$'000	US\$'000
Other investments	258	258
Cash and cash equivalents	3,296	2,392
Trade and other receivables	1,446	1,459
Trade and other payables	(4,871)	(4,823)
Loans and borrowings	(341,271)	(334,672)
Net statement of financial position exposure	(341,142)	(335,386)
Cross currency swaps	100,000	100,000
Net exposure	(241,142)	(235,386)

Sensitivity analysis

A 10% strengthening of the US dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below assuming that all other variables remain constant.

	Group Profit or loss US\$'000	Company Profit or loss US\$'000
2023		
Euro	(3,269)	–
Singapore dollar	23,729	24,114
Chinese yuan	(4,718)	–
2022		
Euro	(2,365)	–
Singapore dollar	21,654	23,539
Chinese yuan	(5,024)	–

Similarly, a 10% weakening of the US dollar against the above currencies at the reporting date would have had the equal but opposite effect.

Equity price risk

As at 31 December 2023, the Group's total investments in quoted equity securities was US\$66,867,000 (2022: US\$77,084,000).

A 10% increase in the underlying quoted equity securities prices at the reporting date would increase equity by the amounts shown below assuming that all other variables remain constant.

	Group 2023 US\$'000	2022 US\$'000
Equity	6,687	7,708

Similarly, a 10% decrease in the underlying quoted equity securities prices at the reporting date would have had the equal but opposite effect.

At the reporting date, the Company is not exposed to any equity price risk.

Exposure to interest rate risk

At the reporting date, the Group and Company were not exposed to any significant interest rate risk.

Valuation methodology applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team to implement the investment valuation methodology approved by the investment committee. The valuation team also determines the valuation of investments and makes recommendation of impairment in the value of investments to be reviewed and approved by the Board of Directors of the respective investment companies.

The valuation team regularly reviews inputs and valuation adjustments and take into consideration the guidelines set out in the applicable investment valuation policy. If third party information, such as latest round of financing, is used to measure fair value then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that the valuations are appropriately classified in the fair value hierarchy.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Net asset value	Net asset value	The estimated fair value would increase if net asset value is higher.
Last round of financing	Last round of financing	The estimated fair value would increase if the price per share in the latest round of financing is higher.

Sensitivity analysis

For the fair values of investments held mandatorily at FVTPL, an increase in the significant unobservable input by 10% at the reporting date would have the following favourable impact by the amount shown below.

	Favourable impact on profit before tax for the year US\$'000
Group	
2023	
Net asset value	14,185
Last round of financing	<u>18,585</u>

	Favourable impact on profit before tax for the year US\$'000
Group	
2022	
Net asset value	14,424
Last round of financing	<u>16,957</u>

The following table presents the changes in Level 3 instruments:

	Investments mandatorily held at FVTPL – Non-trading	
	2023	2022
	US\$'000	US\$'000
Group		
At 1 January	313,813	322,838
Total unrealised gains or losses for the year recognised in profit or loss	(5,324)	(24,813)
Purchases	47,395	49,593
Transfer from Level 3 to Level 1	(9,182)	–
Settlements	<u>(18,995)</u>	<u>(33,805)</u>
At 31 December	<u>327,707</u>	<u>313,813</u>

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

In 2023, the Group transferred investments at FVTPL with a carrying amount of \$9,182,000 (2022: Nil) from Level 3 to Level 1 because the investment became listed.

Fair value of financial instruments

Although management has employed its best judgement in the estimation of fair values, there is inevitably a significant element of subjectivity involved in the calculations. Therefore, the fair value estimates presented above are not necessarily indicative of the amounts the Group could have realised in a sale transaction.

The methodologies and assumptions used depend on the terms and risk characteristics of the various instruments and include the following:

Financial assets

Other investments

The fair values of all quoted investments are determined by reference to their last quoted bid market price at the reporting date.

The fair values of direct unquoted venture capital investments are based on various factors that are broadly categorised as follows:

- (a) Fair values of companies that are identified for Initial Public Offering or near term liquidity are based on various factors including investment bankers' estimated valuation, average revenue multiple of comparable companies and the latest round of financing within a certain period.
- (b) Fair values of companies that are performing to plan are estimated to be equivalent to their costs or previous round of financing unless there are indications to suggest a higher valuation.
- (c) Fair values of investments in companies that are not meeting revenue or profits forecast, running out of cash in the near term and where business model is in doubt, are based on various factors which affect the financial and operating position of the companies, taking into consideration their present value of estimated cash flows.
- (d) Fair values of companies that have failed or are no longer in operation or are under liquidation are estimated to be nil.
- (e) Fair value of investment in venture capital funds is determined by using the estimated realisable value based on its net asset values.

Financial derivatives

The fair value of cross currency swaps is determined by reference to quotes obtained from reputable financial institutions at the reporting date.

Unsecured bonds

The fair value of unsecured bonds, which is determined for disclosure purposes, is determined by quoted prices that are observable for identical assets at the reporting date.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. 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.

Group	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL US\$'000	Financial assets at 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 2023									
Financial assets measured at fair value									
Other investments	7	394,574	–	–	394,574	66,867	–	327,707	394,574
Financial derivatives	9	6,507	–	–	6,507	–	6,507	–	6,507
		401,081	–	–	401,081				
Financial assets not measured at fair value									
Trade and other receivables*	8	–	8,651	–	8,651				
Cash and cash equivalents	10	–	104,790	–	104,790				
		–	113,441	–	113,441				
Financial liabilities not measured at fair value									
Redeemable preference shares	13	–	–	(47,176)	(47,176)	–	(327,859)	–	(327,859)
Unsecured bonds	14	–	–	(341,271)	(341,271)				
Unsecured bank loans	14	–	–	(78,600)	(78,600)				
Other long-term liabilities	16	–	–	(25,032)	(25,032)				
Lease liabilities	17	–	–	(3,238)	(3,238)				
Trade and other payables**	19	–	–	(26,302)	(26,302)				
		–	–	(521,619)	(521,619)				

Group	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL US\$'000	Financial assets at 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									
Financial assets measured at fair value									
Other investments	7	390,897	–	–	390,897	77,084	–	313,813	390,897
Financial derivatives	9	4,358	–	–	4,358	–	4,358	–	4,358
		395,255	–	–	395,255				
Financial assets not measured at fair value									
Trade and other receivables*	8	–	12,437	–	12,437				
Cash and cash equivalents	10	–	143,159	–	143,159				
		–	155,596	–	155,596				
Financial liabilities not measured at fair value									
Redeemable preference shares	13	–	–	(51,951)	(51,951)				
Unsecured bonds	14	–	–	(334,672)	(334,672)				
Unsecured bank loans	14	–	–	(38,600)	(38,600)		(300,860)	–	(300,860)
Other long-term liabilities	16	–	–	(25,032)	(25,032)				
Lease liabilities	17	–	–	(1,814)	(1,814)				
Trade and other payables**	19	–	–	(31,360)	(31,360)				
		–	–	(483,429)	(483,429)				

Company	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL US\$'000	Financial assets at 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 2023									
Financial assets measured at fair value									
Other investments	7	258	—	—	258	—	—	258	258
Financial derivatives	9	6,507	—	—	6,507	—	6,507	—	6,507
		6,765	—	—	6,765				
Financial assets not measured at fair value									
Trade and other receivables*	8	—	1,308	—	1,308				
Cash and cash equivalents	10	—	7,313	—	7,313				
		—	8,621	—	8,621				
Financial liabilities not measured at fair value									
Redeemable preference shares	13	—	—	(47,176)	(47,176)				
Unsecured bonds	14	—	—	(341,271)	(341,271)		(327,859)	—	(327,859)
Unsecured bank loans	14	—	—	(78,600)	(78,600)				
Other long-term liabilities	16	—	—	(31,261)	(31,261)				
Trade and other payables**	19	—	—	(104,940)	(104,940)				
		—	—	(603,248)	(603,248)				