



**VENA
ENERGY**

1H 2020 FINANCIAL REPORT

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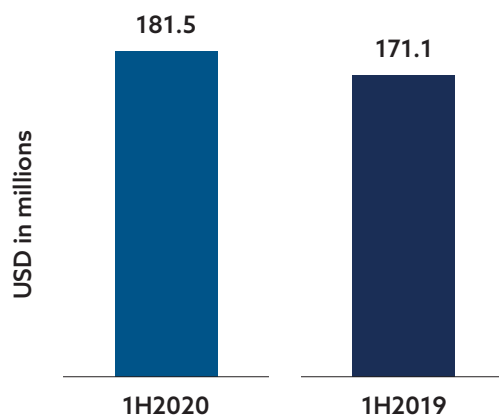
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1. FINANCIALS

1.1. FINANCIAL HIGHLIGHTS

Revenue

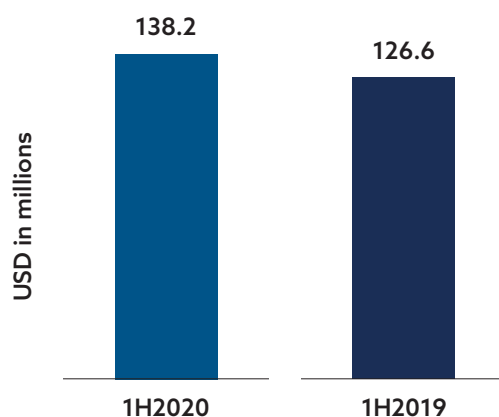
\$182 million ▲ 6% p-o-p



1H2020 revenue increase of \$9 million was mainly a result of \$38 million revenue contribution from 9 newly commissioned assets since July 2019 and projects placed into service in 1H2019 which generated a full 6-month results in 1H2020, \$1 million increase from operational and one-off items, and \$29m revenue reduction following the transfer of TK interests in 7 Japanese solar assets in 2019. The transfer of TK interests generated a total consideration of US\$466m in the previous year which were subsequently reinvested in our pipeline.

EBITDA

\$138 million ▲ 9% p-o-p



EBITDA for 1H2020 was US\$138 million, an increase of \$12 million or 9% from 1H2019 of which \$6m was contributed by the net results of new assets commissioned in 1H 2020 and projects placed into service in 1H2019 which generated a full 6-month results in 1H2020, operational and one-off items, and the transfer of TK interests in 7 Japanese solar assets in 2019. The remaining increase was mainly a result of additional shared service costs which were directly attributable to development and construction activities being capitalised in 1H2020 following a refinement in capitalisation policy and further cost optimisation.

1.2. PROPORTIONATE¹ FINANCIAL RESULTS

Operating Performance		
<i>(USD in millions except margin data)</i>		
	For six-month period ended	
	30 Jun 2020	30 Jun 2019
Total revenue	181.5	171.1
Operating expenses	(43.3)	(44.5)
EBITDA	138.2	126.6
Depreciation and amortisation	(75.5)	(66.1)
EBIT	62.7	60.5
Net interest costs	(41.8)	(49.4)
Other finance gain (charge)	0.5	(30.1)
Other income (expense)	(6.9)	42.1
Development expense	(1.5)	(2.4)
Tax	(9.1)	(6.1)
Net income	3.9	14.6
EBITDA margin (%)	76%	74%

Capitalisation		
	As at	
	30 Jun 2020	31 Dec 2019
Euro medium term note	325.0	–
Corporate term loan and RCF	215.4	617.3
Project finance debt	1,547.0	1,286.4
Bank overdrafts	8.3	8.9
Total bank borrowings	2,095.7	1,912.6
Equity	3,168.6	3,354.1
Total capitalisation	5,264.3	5,266.7

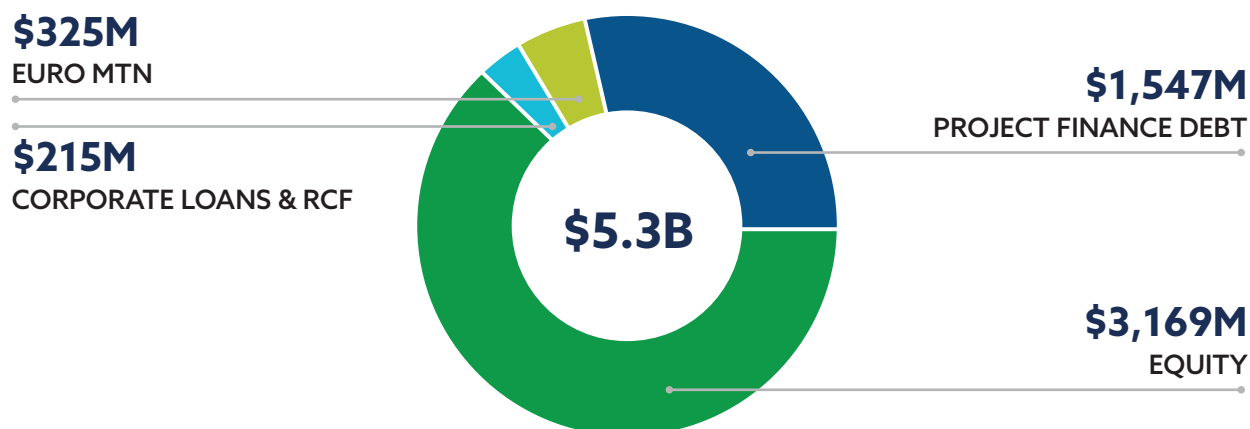
Other Financial Data		
	For last twelve months ended	
	30 Jun 2020	31 Dec 2019
Funds from Operational Assets ²	162.6	162.7
	For six-month period ended	
	30 Jun 2020	30 Jun 2019
Capital expenditures	205.8	182.1

¹ Financial results are prepared based on the proportionate accounting method where like items of assets, liabilities, income and expenses of subsidiaries and equity-accounted investees are proportionally aggregated based on Vena Energy's economic share and adjusted to remove the accounting effects of International Financial Reporting Interpretations Committee 12 – Service Concession Arrangements. Reconciliation of key items between the Condensed Combined Interim Financial Statements and Proportionate financial results are included in Appendix A.

² Refer to Appendix B for the definition of Funds from Operational Assets ("FFOA") and breakdown of FFOA by country.

1.3. CAPITAL MANAGEMENT

CAPITAL STRUCTURE - 30 JUN 2020



Euro MTN

On 26 February 2020, Vena Energy successfully issued our inaugural \$325 million 5-year Green Bond. The bond proceeds in USD were swapped to JPY via cross currency swaps at a blended all-in cost of 1.25% per annum. The JPY proceeds were then fully utilised to refinance existing corporate loans for the development, construction and operation of Eligible Green Projects in accordance with Vena Energy's Green Financing Framework.

Corporate Loans & RCF

Vena Energy's corporate bank loans and committed revolving credit facility (RCF) are both denominated in JPY and maturing in January 2023. In 1H 2020, the corporate loans were partially repaid using the Green Bond proceeds while the utilisation of our corporate RCF has decreased by \$76 million as part of our capital management.

Project Finance Debt

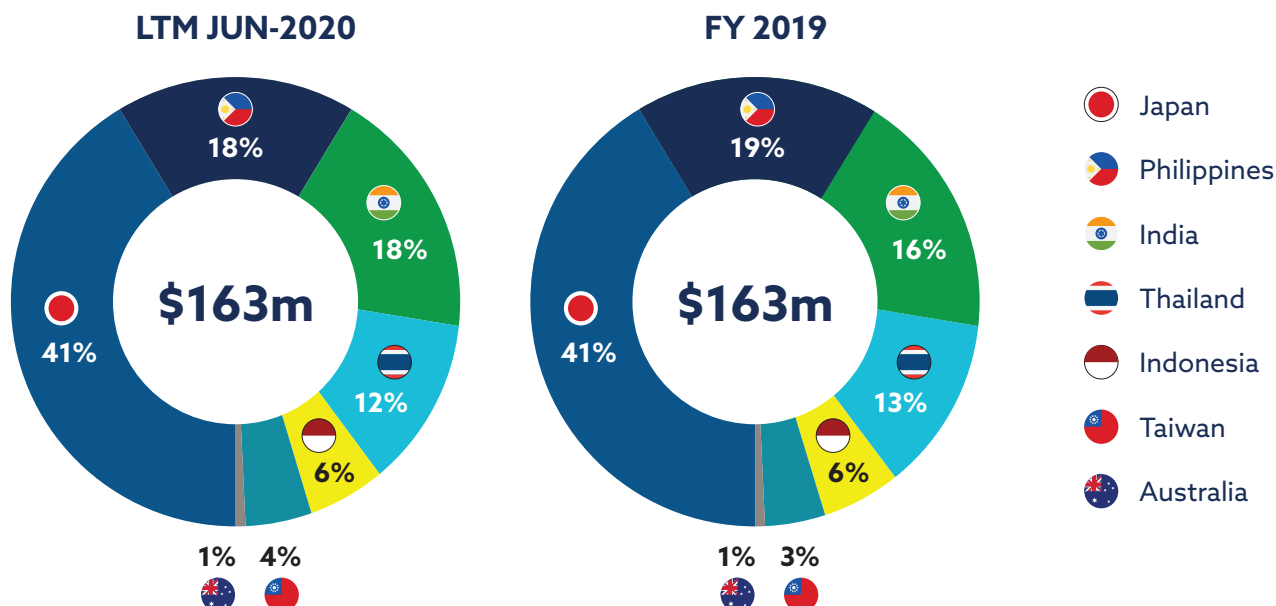
Debt at each project is financed through non-recourse project finance debt, and generally amortising over time with long-term maturities and sculpted repayment profiles based on the projects' long-term contracted cashflows. In 1H2020, we have drawn approximately \$300 million project finance debt across various projects in our portfolio.

Out of the \$300 million debt drawn, \$250 million represents new non-recourse project finance facilities for four operating projects in Taiwan and Japan that were commissioned in 2019. These projects were originally fully-equity funded using surplus cash that may have been otherwise available for distribution, in order to accelerate their completion in 2019. Following the financing drawdowns in 1H2020, \$209 million of the total financing proceeds were returned to the equity holders.

Leverage Ratio		
	30 Jun 2020	31 Dec 2019
Funds from Operational Assets ("FFOA")³	162.6	162.7
Euro Medium Term Note	325.0	–
Foreign currency effect of cross currency swaps ⁴	11.6	–
Corporate term loan	145.2	471.0
Corporate RCF	70.2	146.3
Corporate Gross Debt	552.0	617.3
Less: Corporate Cash & Cash Equivalents	(142.9)	(348.2)
Corporate Net Debt	409.1	269.1
Net Debt to FFOA	2.52x	1.65x

³ FFOA is presented as last twelve months ended the relevant period.

⁴ The USD EMTN were swapped to JPY via cross currency swaps. Foreign currency effect of cross currency swaps (CCS) is determined using the difference of the JPY notional of the CCS translated to USD at the prevailing FX rate as of the reporting date and the USD notional of the Green Bond.



Vena Energy generated a stable FFOA of \$163 million for the last twelve months ended 30 Jun 2020, diversified across 7 geographies and 58 individual operating assets. The largest contribution by an individual project is less than 9% of FFOA (133MW solar project in the Philippines) while the second and third largest contributors to FFOA is by two Japanese solar projects of 7% and 6% respectively.

Liquidity Position

(USD in millions)

	As at	
	30 Jun 2020	31 Dec 2019
Available Corporate RCF	216.7	155.9
Corporate Cash & Cash Equivalents	142.9	348.2
Liquidity	359.6	504.1

As of 30 June 2020, our liquidity position remains robust, with over \$350 million of total available liquidity, including the committed corporate RCF.

1.4. SIGNIFICANT EVENTS

Indian Ocean Dipole (IOD), also known as Indian Niño, is defined by the difference in sea surface temperature between the western and eastern Indian Ocean. The IOD affects the climate of countries that surround the Indian Ocean Basin and is linked to the record-breaking monsoon rainfall in India this year, which is presumed to be the main cause of the exceptionally low wind speeds observed in India in 2020. For instance, India's total wind generation for the month of July 2020 was 43% less than July 2019⁵.

For the year-to-date ended August 2020, Vena Energy experienced approximately \$14 million lower revenues from Indian wind projects compared to the corresponding period in 2019. Although this revenue underperformance will have an impact on our full year FFOA, the diversity of our portfolio across 7 geographies will mitigate the impact on our liquidity position. Over 80% of our FFOA is not directly affected by Indian weather and operational events, as it is generated outside of India.

⁵ Source: <https://hendricksonrenewables.com/july2020indiawind>

2. LEGAL STATEMENTS

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

Such forward-looking statements are based on numerous assumptions regarding Vena Energy's present and future business strategies and the environment in which Vena Energy will operate in the future. Any opinions expressed in this report are subject to change without notice and may differ, or be contrary to, opinions expressed by other business areas or groups of Vena Energy as a result of using different assumptions and criterion. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as at the date as of which they are made, and Vena Energy expressly disclaims any responsibility, and undertakes no obligation, to update or revise any forward-looking statements contained herein to reflect any change in Vena Energy's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. Forward-looking statements contained in this report regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

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

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

The information contained in this report is provided as at the date of this document and is subject to change without notice.

This report is for information purposes only and may contain data sourced from and the views of independent third parties. In replicating such data in this report, Vena Energy has not independently verified any of such data and there can be no assurance as to the accuracy or completeness of such data. Accordingly, Vena Energy makes no representation (whether express or implied) as to, and no reliance should be placed on, the accuracy or completeness of such data, information or opinions contained in this report. The replication of any views in this report should be not treated as an indication that Vena Energy agrees with or concurs with such views. It is not Vena Energy's intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of Vena Energy's financial or trading position or prospects.

APPENDIX A: SUPPLEMENTARY FINANCIAL INFORMATION



The non-IFRS financial and other operating data set out in “Key Non-IFRS Financial Data” section which has been derived from the Condensed Combined Interim Financial Statements and the Interim Financial Statements⁶ of Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust (each a “**Vena Entity**” and together, the “**Vena Entities**”), and management schedules, where applicable, are supplemental financial measures and are not presented in accordance with International Financial Reporting Standards (“**IFRS**”) or generally accepted accounting principles in other countries, including the United States. Accordingly, these data should not be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of Vena Energy, as reported under IFRS.

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

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

⁶. “**Interim Financial Statements**” is defined as the consolidated financial statements of Vena Energy Holdings Ltd and its subsidiaries, consolidated financial statements of Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and the consolidated financial statements of Zenith Japan Holdings Trust and its subsidiaries for the six months period ended 30 June 2020. The Interim Financial Statements for the six month period ended 30 June 2020 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and reviewed by an independent auditor in accordance with International Standards on Review Engagements.

Key Non-IFRS Financial Data

(USD in millions except margin data)

	Six Months Ended	
	30 Jun 2020	30 Jun 2019
Proportionate Revenue ^(a)	181.5	171.1
Proportionate EBITDA ^(b)	138.2	126.6
Proportionate EBITDA Margin ^(c)	76%	74%
	As of	
	30 Jun 2020	31 Dec 2019
Corporate Net Debt ^(d)	409.1	269.1
Funds from Operational Assets ("FFOA") ^(e)	162.6	162.7
Corporate Net Debt to FFOA ^(f)	2.52x	1.65x

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

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

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

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

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

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

Reconciliation of Combined Financial Results to Proportionate Financial Results

Reconciliation of Gross Revenue to Proportionate Revenue

(USD in millions)

	Six Months Ended	
	30 Jun 2020	30 Jun 2019
Revenue	150.9	165.9
Other income	1.9	5.5
Total income	152.8	171.4
Less: Service concession income	(1.1)	(23.6)
Less: Total income attributable to non-controlling interest	(7.2)	(7.5)
Add: Total income of equity-accounted investees	37.0	30.8
Proportionate Revenue	181.5	171.1

Reconciliation of Profit for the Period to Adjusted EBITDA and Proportionate EBITDA

(USD in millions)

	Six Months Ended	
	30 Jun 2020	30 Jun 2019
Profit for the Period	9.1	19.4
Less: Service concession income	(1.1)	(23.6)
Add: Cost of service concession income	1.1	23.6
Add: Development costs	1.0	1.8
Add: Depreciation and amortisation expense	60.0	54.8
Add: Net finance costs	34.6	76.4
Less: Gain on transfer of TK interests	–	(46.0)
Add: Acquisition costs	5.9	–
Add: Loss on disposals or write-off of assets	1.0	–
Less: Share of net results of equity-accounted investees, net of tax	(5.6)	(4.2)
Add: Tax expense	9.1	6.3
Adjusted EBITDA	115.1	108.5
Less: Adjusted EBITDA attributable to non-controlling interest	(6.7)	(6.7)
Add: Adjusted EBITDA of equity-accounted investees	29.8	24.8
Proportionate EBITDA	138.2	126.6

Funds from Operational Assets

The following tables present the Funds from Operational Assets of Vena Energy for the last twelve months ended 30 June 2020 and 31 December 2019.

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

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

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

(USD in millions)	Australia	India	Indonesia	Japan	Philippines	Taiwan	Thailand	Total
LAST TWELVE MONTHS ENDED 30 JUNE 2020								
Revenue	12.7	91.6	32.1	101.7	69.4	13.9	49.4	370.8
Less: Operating Expenses								
- Operation and maintenance costs	(1.0)	(8.0)	(1.7)	(7.1)	(4.4)	(0.8)	(1.1)	(24.1)
- Asset management & shared service fees	(0.3)	(3.0)	(1.6)	(4.9)	(3.0)	(2.0)	(1.1)	(15.9)
- Business related taxes	-	(0.1)	(0.1)	(6.4)	(3.7)	-	(0.1)	(10.4)
- Land rent and occupancy costs	(0.3)	(0.4)	(0.2)	(2.3)	(0.2)	(0.6)	(0.6)	(4.6)
- General and administrative expenses	(1.4)	(4.1)	(3.4)	(3.1)	(6.3)	(1.3)	(1.6)	(21.2)
Results from Operational Assets^(a)	9.7	76.0	25.1	77.9	51.8	9.2	44.9	294.6
Less: Share of economic interest attributable to other shareholder ^(b)	-	-	-	-	(0.6)	-	(13.5)	(14.1)
Proportionate results from Operational Assets	9.7	76.0	25.1	77.9	51.2	9.2	31.4	280.5
Add: Interest income received ^(c)	0.1	2.4	-	-	0.6	-	-	3.1
Less: Debt service and tax payments ^(d)	(8.7)	(49.3)	(15.5)	(10.7)	(22.0)	(3.1)	(11.7)	(121.0)
Funds from Operational Assets^(e)	1.1	29.1	9.6	67.2	29.8	6.1	19.7	162.6
YEAR ENDED 31 DECEMBER 2019								
Revenue	8.5	99.1	28.7	105.4	62.6	8.7	50.2	363.2
Less: Operating Expenses								
- Operation and maintenance costs	(0.7)	(7.7)	(1.2)	(7.2)	(4.4)	(0.4)	(1.2)	(22.8)
- Asset management & shared service fees	(0.8)	(2.8)	(0.5)	(3.9)	(2.6)	(0.8)	(0.8)	(12.2)
- Business related taxes	-	(0.2)	(0.1)	(7.2)	(3.6)	-	(0.2)	(11.3)
- Land rent and occupancy costs	(0.2)	(0.6)	(0.2)	(3.9)	(0.5)	(0.7)	(1.0)	(7.1)
- General and administrative expenses	(0.8)	(3.4)	(3.1)	(2.9)	(6.0)	(0.9)	(1.6)	(18.7)
Results from Operational Assets^(a)	6.0	84.4	23.6	80.3	45.5	5.9	45.4	291.1
Less: Share of economic interest attributable to other shareholder ^(b)	-	-	-	-	(0.6)	-	(13.6)	(14.2)
Proportionate results from Operational Assets	6.0	84.4	23.6	80.3	44.9	5.9	31.8	276.9
Add: Interest income received ^(c)	0.2	3.0	-	-	0.8	-	-	4.0
Less: Debt service and tax payments ^(d)	(4.7)	(62.0)	(13.5)	(11.0)	(15.1)	(1.6)	(10.3)	(118.2)
Funds from Operational Assets^(e)	1.5	25.4	10.1	69.3	30.6	4.3	21.5	162.7

(a) "Results from Operational Assets" is defined as revenue (which includes other income but excludes service concession income, if any) less operating expenses but excludes cost of service concession income, depreciation and amortisation expense, finance income, finance costs, change in fair value of financial instruments, foreign exchange gain or loss, impairment loss, gain on transfer of TK interests, loss on disposal of property plant and equipment and tax expense of all Operational Assets. Results from Operational Assets excludes the major income statement items: (1) service concession income, (2), cost of service concession income, (3) depreciation and amortisation expense, (4) finance income and finance costs, (5) Change in fair value of financial derivatives, (6) foreign exchange gain/(loss) and (7) tax expense.

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

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

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

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

APPENDIX B: 1H 2020 INTERIM FINANCIAL STATEMENTS



The Condensed Combined Interim Financial Statements (as defined herein) included in this document has been prepared in order to present the (a) combined statements of financial position of Vena Entities as at 30 Jun 2020, (b) combined statements of comprehensive income of Vena Entities for the six-month period ended 30 June 2020, and (c) combined statements of cash flows of Vena Entities for the six-month period ended 30 June 2020 (together with the notes comprising a summary of significant accounting policies and other explanatory information, the "Condensed Combined Interim Financial Statements"). The Condensed Combined Interim Financial Statements has been prepared to fulfil our obligations under paragraph 5(b) under the "Terms and Conditions of the Notes" pursuant to our US\$1,000,000,000 Guaranteed Euro Medium Term Note Programme and our obligations under Rule 323 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Condensed Combined Interim Financial Statements is intended to supplement, and should be read in conjunction with, the Interim Financial Statements of Vena Energy Holdings Ltd and its subsidiaries, consolidated financial statements of Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and the consolidated financial statements of Zenith Japan Holdings Trust and its subsidiaries for the six-month ended 30 June 2020, which were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and included in this document. Readers of the Condensed Combined Interim Financial Statements who are not familiar with International Financial Reporting Standards are urged to consult with their own professional advisers. The Condensed Combined Interim Financial Statements reflects certain estimates, assumptions and judgements made by Vena Energy. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities as of the dates presented as well as revenue and expenses reported for the periods presented. As a result, the Condensed Combined Interim Financial Statements is not necessarily indicative of what Vena Energy's actual results of operations, financial position and cash flow would have been on or as of such dates, nor does it purport to project Vena Energy's results of operations, financial position or cash flows for any future period or date.

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



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

Condensed Combined Interim Financial Statements
For the six months ended 30 June 2020

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



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Independent auditors’ report

Board of Directors
Vena Energy Pte Ltd

Report on review of Condensed Combined Interim Financial Statements

Introduction

We have reviewed the condensed combined financial statements of Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Trust and their subsidiaries (“Vena Energy Group”), which comprise the condensed combined statement of financial position as at 30 June 2020 and the condensed combined statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the Condensed Combined Interim Financial Statements). Management of Vena Energy Pte. Ltd. is responsible for the preparation of these Condensed Combined Interim Financial Statements in accordance with the basis of preparation set out in Note 3 of the Condensed Combined Interim Financial Statements (the “Basis of Preparation”). Our responsibility is to express a conclusion on these Condensed Combined Interim Financial Statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Combined Interim Financial Statements is not prepared, in all material respects, in accordance with the Basis of Preparation.



Vena Energy Holdings Ltd and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its subsidiaries
Zenith Japan Holdings Trust and its subsidiaries
Independent auditors' report
For the six months ended 30 June 2020

Restriction on distribution and use

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



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
9 September 2020

Vena Energy Holdings Ltd and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its subsidiaries
Zenith Japan Holdings Trust and its subsidiaries
Condensed Combined Interim Financial Statements
For the six months ended 30 June 2020

Condensed Combined statement of financial position
As at 30 June 2020

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Assets			
Property, plant and equipment	7	1,678,253	1,551,954
Right-of-use assets	8	259,777	164,785
Intangible assets	9	2,345,020	2,330,545
Equity-accounted investees	10	477,436	454,257
Other investments		1,501	5,062
Deferred tax assets		2,919	21,886
Loans receivables	11	64,869	64,252
Derivative assets	13	127,241	117,992
Prepayment and other assets	14	15,021	17,541
Trade and other receivables	15	2,032	–
Non-current assets		4,974,069	4,728,274
Loans receivables	11	9,002	4,607
Trade and other receivables	15	155,041	134,990
Prepayment and other assets	14	13,802	8,720
Derivative assets	13	8,990	3,888
Cash and cash equivalents	12	446,211	634,461
Asset held for sale	10	–	7,638
Current assets		633,046	794,304
Total assets		5,607,115	5,522,578
Equity			
Equity contribution and units in issue		3,054,399	3,232,919
Retained earnings		38,847	34,930
Reserves		75,376	86,261
Equity attributable to owners of the Holding Companies		3,168,622	3,354,110
Non-controlling interests ('NCI')		82,512	82,528
Total equity		3,251,134	3,436,638
Liabilities			
Loans and borrowings	16	1,949,827	1,656,839
Employee benefits		111	110
Derivative liabilities	13	27,957	19,902
Asset retirement obligation		31,772	20,082
Deferred tax liabilities		19,142	33,841
Non-current liabilities		2,028,809	1,730,774
Loans and borrowings	16	203,426	221,391
Derivative liabilities	13	3,286	2,501
Trade and other payables	17	119,288	130,348
Current tax liabilities		1,172	926
Current liabilities		327,172	355,166
Total liabilities		2,355,981	2,085,940
Total equity and liabilities		5,607,115	5,522,578

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Nitin Srinivas Apte
Director, Vena Energy Pte Ltd

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Rupert Charles Collinson Hall
Director, Vena Energy Pte Ltd

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

Vena Energy Holdings Ltd and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its subsidiaries
Zenith Japan Holdings Trust and its subsidiaries
Condensed Combined Interim Financial Statements
For the six months ended 30 June 2020

Condensed combined statement of comprehensive income
For the six months ended 30 June 2020

	Note	Six months period ended 30 June 2020 US\$'000	30 June 2019 US\$'000
Sale of energy	145,545		142,339
Service concession income		1,119	23,589
Fee income		4,249	1,242
Total revenue	18	150,913	167,170
Other income	19	1,872	4,207
Cost of service concession income	(1,119)		(23,589)
Operating costs	20	(21,622)	(21,557)
Shared services costs	21	(14,976)	(17,717)
Development costs	22	(963)	(1,811)
Depreciation expense	7/8	(34,104)	(30,791)
Amortisation expense	9	(25,897)	(23,973)
		(98,681)	(119,438)
Finance income	23	6,483	5,729
Finance costs	23	(40,780)	(49,101)
Change in fair value of financial derivatives	24	15,630	(32,593)
Foreign exchange loss		(15,902)	(409)
Net finance costs		(34,569)	(76,374)
Gain on transfer of TK interests		–	45,969
Acquisition costs	27	(5,938)	–
Loss on disposal of investments		(443)	–
Loss on disposal of interest in equity-accounted investee	10	(435)	–
Loss on write off of property, plant and equipment		(95)	(9)
Impairment loss on financial assets		(30)	–
Share of net profit of equity-accounted investees, net of tax	10	5,638	4,174
Profit before tax	25	18,232	25,699
Tax expense		(9,122)	(6,278)
Profit for the period		9,110	19,421
Profit attributable to:			
Owners of the Holding Companies		3,917	14,637
Non-controlling interests		5,193	4,784
		9,110	19,421
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences		22,442	57,643
Net losses on hedge of net investment in foreign operation		(11,653)	–
Equity-accounted investees – share of OCI	10	6,709	7,357
Other comprehensive income for the period		17,498	65,000
Total comprehensive income for the period		26,608	84,421
Total comprehensive income attributable to:			
Owners of the Holding Companies		23,012	77,505
Non-controlling interests		3,596	6,916
		26,608	84,421

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

Condensed combined statement of changes in equity (cont'd)
For the six months ended 30 June 2020

	Attributable to owners of the Holding Companies					
	Equity contribution and units in issue US\$'000	Capital reserves US\$'000	Accumulated losses US\$'000	Translation reserves US\$'000	Other reserves US\$'000	Total US\$'000
Non-controlling interest US\$'000						
Total equity US\$'000						
At 1 January 2019	3,232,919	79,980	(37,025)	(9,867)	98	3,266,105
Adjustment on initial application of Group's accounting policy on leases (net of tax)	–	–	(17,140)	926	–	(16,214)
	3,232,919	79,980	(54,165)	(8,941)	98	3,249,891
						77,807
						3,327,698
	–	–	14,637	–	–	14,637
						4,784
						19,421
	–	–	–	55,511	–	55,511
	–	–	–	7,357	–	7,357
						2,132
						–
	–	–	14,637	62,868	–	77,505
						6,916
						84,421
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
						(3,030)
						(262)
						(3,292)
At 30 June 2019	3,232,919	79,980	(39,528)	53,927	98	3,327,396
						81,531
						3,408,827

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

Vena Energy Holdings Ltd and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its subsidiaries
Zenith Japan Holdings Trust and its subsidiaries
Condensed Combined Interim Financial Statements
For the six months ended 30 June 2020

Condensed combined statement of cash flows
For the six months ended 30 June 2020

	Note	For the six months ended 30 June 2020 US\$'000	For the six months ended 30 June 2019 US\$'000
Cash flows from operating activities			
Profit before tax		18,232	25,699
Adjustments for:			
Depreciation expense	7/8	34,104	30,791
Amortisation expense	9	25,897	23,973
Gain on transfer of TK interests		–	(45,969)
Loss on disposal of property, plant and equipment		95	–
Loss on write off of property, plant and equipment		–	9
Impairment losses on trade and other receivables		30	–
Loss on disposal of interest in equity -accounted investee	10	435	–
Finance income	23	(6,483)	(5,729)
Finance costs	23	40,780	49,101
Net changes in fair value of financial instruments	24	(15,630)	32,593
Unrealised foreign exchange loss		15,867	4,820
Share of net profit of equity-accounted investees, net of tax	10	(5,637)	(4,174)
		107,690	111,114
Changes in:			
- Trade and other receivables		(1,748)	(23,387)
- Prepayments and other assets		10,128	5,456
- Trade and other payables		(39,980)	14,402
- Provisions and employee benefits		–	(183)
Cash generated from operating activities		76,090	107,402
Tax paid		(3,397)	(3,118)
Net cash from operating activities		72,693	104,284
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	27	(36,264)	–
Acquisition of interest in equity-accounted investees		(7,357)	(1,658)
Drawdown of loan by equity-accounted investees		(4,900)	–
Repayment of loan from equity-accounted investees		2,179	3,309
Distributions from equity-accounted investees	10	8,088	76,110
Proceeds from disposal of equity-accounted investees		300	–
Purchase of property, plant and equipment		(123,437)	(157,138)
Additions of project-related agreements and licences	9	(5,648)	–
Proceeds from disposal of property, plant and equipment		211	–
Proceeds from disposal of financial assets		1,800	–
Development expenditures under service concession arrangement	9	–	(23,818)
Proceeds from maturity of fixed deposit		10,400	–
Deposits pledged		310,348	7,346
Interest received		1,545	14,281
Proceeds from transfer of TK interests		–	109,505
Net cash generated from investing activities		157,265	27,937

The accompanying notes form an integral part of these pro forma condensed combined interim financial information.

Vena Energy Holdings Ltd and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its subsidiaries
Zenith Japan Holdings Trust and its subsidiaries
Condensed Combined Interim Financial Statements
For the six months ended 30 June 2020

Condensed combined statement of cash flows
For the six months ended 30 June 2020

	Note	For the six months ended 30 June 2020 US\$'000	For the six months ended 30 June 2019 US\$'000
Cash flows from financing activities			
Repurchase of ordinary shares and units		(208,500)	–
Proceeds from issuance of Euro Medium Term Note	16	325,000	–
Proceeds from drawdown of loans and borrowings		623,346	168,402
Repayment of loans and borrowings		(800,085)	(182,117)
Proceeds from lease liabilities		–	84
Payment of lease liabilities		(3,088)	(2,705)
Transaction costs related to loans and borrowings		(4,465)	(4,220)
Transaction costs related to issuance of Euro Medium Term Note		(4,003)	–
Interest paid to loans and borrowings		(34,040)	(46,599)
Dividends paid to non-controlling interest		(3,612)	(3,030)
Net cash used in financing activities		(109,447)	(70,185)
Net increase in cash and cash equivalents			
Cash and cash equivalents at 1 January	12	263,090	424,596
Effect of exchange rate fluctuations on cash held		12,559	(671)
Cash and cash equivalents at 30 June	12	396,160	485,961

The accompanying notes form an integral part of these pro forma condensed combined interim financial information.

Notes to the condensed combined interim financial information

1 Domicile and activities

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

* Zenith Japan Holdings Ltd, a company incorporated under the laws of Guernsey who registered office is at 1st Floor, Les Echelons Court, Les Echelons, St Peter Port, Guernsey GY1 6JB, is appointed as Trustee of the Zenith Japan Holdings Trust.

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

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

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

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

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

2 Basis of combination

The condensed combined interim financial statements consists of the historical condensed consolidated interim financial information of Vena Energy Holdings Ltd and its subsidiaries, Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and Zenith Japan Holdings Trust and its subsidiaries for the six months ended 30 June 2020 on a combined basis.

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

3 Basis of preparation

These condensed combined interim financial statements have been prepared in accordance with accounting policy of the Group and should be read in conjunction with the financial information as at and for the year ended 31 December 2019. They do not include all of the information required for a complete set of combined financial statements. However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s combined financial position and performance since the last annual financial information.

The purpose of the combined interim financial statements is to show the combined financial position, financial performance, changes in equity and cash flows of the Group as a single performance unit as at and for the six months ended 30 June 2020.

4 Seasonality in operations

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

5 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the condensed combined interim financial statements for the current reporting period as that of the last annual financial information for the year ended 31 December 2019, including the policies described below.

5.1 Financial Instruments

Derivative Financial Instruments and Hedge Accounting

The Group holds derivative financial instruments to hedge its foreign currency 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 generally recognised in profit or loss.

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

5.1 Financial Instruments (cont'd)

Derivative Financial Instruments and Hedge Accounting (cont'd)

Net Investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

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

5.2 Amendments

The Group has applied the following amendments to and interpretations of the Group accounting policies for the first time for the period beginning on 1 January 2020:

- Definition of a Business (amendments to group accounting policy on *Business Combinations*)
- Amendments to References to Conceptual framework in Group account policies
- Definition of Material (amendments to group accounting policy on *Presentation of Financial Statements* and on *Changes in Accounting policies, Changes in Accounting Estimates and Errors*)
- Interest Rate Benchmark Reform (amendments to group accounting policy on *Financial Instruments and Financial Instruments: Disclosures*)

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

6 Use of judgements and estimates

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

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

Management applied critical judgement in assessing if Power Purchase Agreements ('PPAs') entered into by The Group falls within the scope of *Group accounting policy on Service Concession Arrangements*, including:

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

Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

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

Measurement of fair values

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

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

- Level 1:** 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).

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

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

Further information about the assumptions made in measuring fair values is included in Note 26 Financial instruments.

7 Property, plant and equipment

	Note	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Computer, fitting and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
Cost								
At 1 January 2019		58,779	32,569	1,321,408	224	2,884	289,734	1,705,598
Recognition of right-of-use asset on initial application		–	(17,757)	–	–	–	–	(17,757)
Adjusted balance at 1 January 2019		58,779	14,812	1,321,409	224	2,884	289,734	1,687,842
Additions		19,788	5,167	8,273	61	1,059	290,967	325,315
Transfer of TK interests		(4,813)	(171)	(366,107)	–	–	(111)	(371,202)
Disposal/write-off		(6,290)	(124)	(188)	–	–	(1,191)	(7,793)
Reclassification		–	–	312,106	–	–	(312,106)	–
Reclassification from right of use		–	–	–	–	–	2,123	2,123
Effect of exchange rate changes		44	524	15,456	11	147	(1,198)	14,984
At 31 December 2019		67,508	20,208	1,290,949	296	4,090	268,218	1,651,269
At 1 January 2020		67,508	20,208	1,290,949	296	4,090	267,843	1,650,894
Acquisitions through business combination	27	–	–	54,728	–	–	–	54,728
Additions		4,297	2,260	3,258	–	549	110,496	120,860
Disposal/write-off		(305)	(2)	(65)	–	(1)	(92)	(465)
Reclassification		–	–	118,982	–	–	(118,982)	–
Effect of exchange rate changes		776	(470)	(30,196)	1	(147)	5,955	(24,081)
At 30 June 2020		72,276	21,996	1,437,656	297	4,491	265,220	1,801,936

7 Property, plant and equipment (cont'd)

Accumulated depreciation

At 1 January 2019
Recognition of right-of-use asset on initial application of
Adjusted balance at 1 January 2019
Depreciation charge for the year
Transfer of TK interests
Disposal/write-off
Effect of exchange rate changes
At 31 December 2019

	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Computer, fitting and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
	-	2,221	49,678	26	799	-	52,724
	-	(1,323)	-	-	-	-	(1,323)
	-	898	49,678	26	799	-	51,401
	-	1,364	56,445	52	879	-	58,740
	-	(19)	(32,596)	-	-	-	(32,615)
	-	(35)	(42)	-	-	-	(77)
	-	(32)	21,376	10	137	-	21,491
	-	2,176	94,861	88	1,815	-	98,940

At 1 January 2020
Depreciation charge for the period
Disposal/write-off
Effect of exchange rate changes
At 30 June 2020

	-	2,176	94,861	88	1,815	-	98,940
	-	873	28,457	29	524	-	29,883
	-	-	(64)	-	(1)	-	(65)
	-	(203)	(4,766)	(1)	(105)	-	(5,075)
	-	2,846	118,488	116	2,233	-	123,683

Carrying amounts

At 1 January 2019
At 31 December 2019
At 30 June 2020

58,779	30,348	1,271,730	198	2,085	289,734	1,652,874
67,508	18,032	1,196,088	208	2,275	267,843	1,551,954
72,276	19,150	1,319,168	181	2,258	265,220	1,678,253

Vena Energy Holdings Ltd and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its subsidiaries
Zenith Japan Holdings Trust and its subsidiaries
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For the six months ended 30 June 2020

8 Right-of-use assets

	Note	Land and buildings 2019 \$'000	Office lease 2019 \$'000	Others 2019 \$'000	Total 2019 \$'000
Cost					
At 1 January 2019		—	—	—	—
Recognition of right-of-use assets on initial application		180,106	6,481	300	186,887
Additions		27,058	1,545	465	29,068
Transfer of TK interests		(45,076)	—	—	(45,076)
Effect of exchange rate changes		1,790	51	—	1,841
At 31 December 2019		163,878	8,077	765	172,720
At 1 January 2020		163,878	8,077	765	172,720
Acquisitions through business combination	27	14,686	—	—	14,686
Additions		71,551	10,067	730	82,348
Effect of exchange rate changes		3,416	162	31	3,609
At 30 June 2020		253,531	18,306	1,526	273,363
Accumulated depreciation					
At 1 January 2019		—	—	—	—
Depreciation expense		3,855	2,661	256	6,772
Reclassification to property, plant and equipment		2,123	—	—	2,123
Transfer of TK interests		(1,099)	—	—	(1,099)
Effect of exchange rate changes		40	100	(1)	139
At 31 December 2019		4,919	2,761	255	7,935
At 1 January 2020		4,919	2,761	255	7,935
Depreciation expense		1,941	1,990	288	4,219
Reclassification		677	—	—	677
Effect of exchange rate changes		724	21	10	755
At 30 June 2020		8,261	4,772	553	13,586
Carrying amounts					
At 1 January 2019		—	—	—	—
At 31 December 2019		158,959	5,316	510	164,785
At 30 June 2020		245,270	13,534	973	259,777

9 Intangible assets

	Note	Goodwill US\$'000	Project-related agreements & licences US\$'000	Service concession intangible assets US\$'000	Total US\$'000
Cost					
At 1 January 2019	877,739		1,645,009	139,507	2,662,255
Additions		–	39,761	–	39,761
Service concession		–	–	34,861	34,861
Transfer of TK interests		(104,488)	(245,780)	–	(350,268)
Effect of exchange rate changes	3,590		14,341	–	17,931
At 31 December 2019		776,841	1,453,331	174,368	2,404,540
At 1 January 2020		776,841	1,453,331	174,368	2,404,540
Additions		–	5,648	–	5,648
Acquisitions through business combination	27	–	22,732	–	22,732
Service concession		–	–	1,119	1,119
Effect of exchange rate changes		5,424	3,886	–	9,310
At 30 June 2020		782,265	1,485,597	175,487	2,443,349
Accumulated amortisation					
At 1 January 2019		–	43,057	–	43,057
Amortisation expense		–	47,022	4,715	51,737
Transfer of TK interests		–	(22,242)	–	(22,242)
Effect of exchange rate changes		–	1,443	–	1,443
At 31 December 2019		–	69,280	4,715	73,995
At 1 January 2020		–	69,280	4,715	73,995
Amortisation expense		–	22,515	3,382	25,897
Effect of exchange rate changes		–	(1,563)	–	(1,563)
At 30 June 2020		–	90,232	8,097	98,329
Carrying amounts					
At 1 January 2019		877,739	1,601,952	139,507	2,619,198
At 31 December 2019		776,841	1,384,051	169,653	2,330,545
At 30 June 2020		782,265	1,395,365	167,390	2,345,020

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

10 Equity-accounted investees

	30 June 2020 US\$'000	31 December 2019 US\$'000
Interests in joint venture	45,943	28,153
Interests in associates	431,493	433,742
Less: Asset held for sale (Wawa)	—	(7,638)
	431,493	426,104
Total interests in equity-accounted investees	477,436	454,257

Investment in joint venture

During the financial period, the Group entered into a joint venture, Nanao Mega Solar GK (“Nanao”) to acquire 69% economic interest in Nanao. The remaining economic interest is substantially owned by a third party, Kabushiki Kaisha Kyudenko FukuoSan Taiyoko Hatsudensho and decisions in relation to key relevant activities of Nanao require unanimous consent. The Trust has assessed that it has joint control over Nanao, and that its investment in Nanao meets the definition of a joint venture (as defined by Group accounting policy).

Nanao is based in Japan, and principally engaged in development and operation of renewable energy assets.

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

2020	KK Kyudenko 30 June 2020 US\$'000	Nanao 30 June 2020 US\$'000
Statement of financial position		
Property, plant and equipment	11,473	2,376
Right-of-use assets	11,023	204
Intangible assets	8,674	—
Non-current prepayment and other assets	97	12,379
Non-current assets	31,267	14,959
Prepayment and other assets	1,149	1
Trade and other receivables	66,018	11,659
Cash and cash equivalents	10,972	158
Current assets	78,139	11,818
Total assets	109,406	26,777
Lease liabilities	11,023	204
Loans and borrowings	49,593	—
Non-current liabilities	60,616	204
Loans and borrowings	308	—
Trade and other payables	8,676	519
Current liabilities	8,984	519
Total liabilities	69,600	723
Net assets	39,806	26,054

10 Equity-accounted investees (cont'd)

Investment in joint venture (cont'd)

2020	KK Kyudenko 30 June 2020 US\$'000	Nanao 30 June 2020 US\$'000
<u>Statement of comprehensive income</u>		
Other income	—	—
Operating expenses	(993)	(71)
Finance costs	—	—
Loss before tax	(993)	(71)
Tax expense	—	—
Loss for the year	(993)	(71)
Foreign currency translation differences	495	51
Total comprehensive income	(498)	(20)
2019	KK Kyudenko 31 December 2019 US\$'000	Nanao 31 December 2019 US\$'000
<u>Statement of financial position</u>		
Property, plant and equipment	8,919	—
Right-of-use assets	10,770	—
Intangible assets	38,645	—
Non-current prepayment and other assets	3	—
Non-current assets	58,337	—
Prepayment and other assets	879	—
Trade and other receivables	35	—
Cash and cash equivalents	156	—
Current assets	1,070	—
Total assets	59,407	—
Lease liabilities	10,770	—
Non-current liabilities	10,770	—
Trade and other payables	8,763	—
Current liabilities	8,763	—
Total liabilities	19,533	—
Net assets	39,874	—

10 Equity-accounted investees (cont'd)

Investment in joint venture (cont'd)

2019	KK Kyudenko 31 December 2019 US\$'000	Nanao 31 December 2019 US\$'000
<u>Statement of comprehensive income</u>		
Other income	832	–
Operating expenses	(838)	–
Loss before tax	(6)	–
Tax expense	(1)	–
Loss for the year	(7)	–
Total comprehensive income	(7)	–

US\$'000 2020	KK Kyudenko	Nanao US\$'000	Total US\$'000
Carrying amount of interest in joint venture at 1 January 2020	28,151	–	28,151
Group's acquisition of share capital during the year	–	18,156	18,156
Share of loss of joint ventures	(695)	(50)	(745)
Share of OCI	348	33	381
Carrying amount of interest in joint venture at 30 June 2020	27,804	18,139	45,943
2019			
Carrying amount of interest in joint venture at beginning of the year	–	–	–
Group's acquisition of share capital during the year	28,156	–	28,156
Share of loss of joint ventures	(5)	–	(5)
	28,151	–	28,151
Carrying amount of interest in joint venture at end of the year	28,151	–	28,151

10 Equity-accounted investees

Interests in associates

The Group has 6 (2019:7) material associates and 12 immaterial associates which are equity accounted. The following are the material associates:

	Hangin ng Amihan Holdings, Inc. and its subsidiaries (“HANGIN”)	Vena Energy Wind (Phil) Holdings Inc (“VEWPHI”) ¹	Helios Solar Energy Holdings Inc. and its subsidiaries (“HSEHI”)	First Soleq Holdings Philippines Inc. (“FSHPI”)	One Bukidnon Project Holdings Inc. (“OBPHI”)	RA Solar Energy Holdings Inc. and its subsidiaries (“RSEHI”)
Project name	Pililia	Pililia	Pollo	Ironman	Zorro	Garcia
Sector	54.0 MW wind	54.0 MW wind	132.5 MW solar	30.4 MW solar	10.5 MW solar	20.1 MW solar
Nature of relationship with the Group	Investment holding entity for Altermergy Wind One Corporation	Investment holding entity for Altermergy Wind One Corporation	Investment holding entity for Helios Solar Energy Corp.	Investment holding entity for First Soleq Energy Corp.	Investment holding entity for Asian Greenenergy Corp.	Investment holding entity for Mirae Asia Energy Corp.
Principal place of business/ Country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Economic interest held (%)	99.84%	99.98%	99.65%	99.90%	99.90%	99.91%
Effective economic interest held on the underlying project (%)	55.13%	39.84%	99.78%	99.90%	99.90%	99.91%
Voting rights held (%)	39.92%	44.63%	23.78%	25.00%	25.00%	40%

¹ Through investment in HANGIN & VEWPHI, the Group’s aggregate economic interest in Project Pililia (54Mw Wind) is 94.97%.

10 Equity-accounted investees (cont'd)

The following summarises the financial statement of the Group's associates:

30 June 2020

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

Loan receivables
Trade and other receivables
Prepayment and other assets
Cash and cash equivalents
Current assets

Total assets

Loans and borrowings
Employee benefits
Asset retirement obligation
Deferred tax liabilities
Non-current liabilities

Loans and borrowings
Trade and other payables
Current liabilities

Total liabilities

Net assets

Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000
90,537	–	148,453	31,989	12,410	27,760
711	–	–	–	–	–
–	11,215	–	–	–	4,433
–	–	–	–	–	–
1,315	63	496	3,600	81	199
12	–	32	18	12	17
35	–	89	51	32	58
92,610	11,278	149,070	35,658	12,535	32,467
5,414	–	8,029	1,793	1,707	–
–	–	–	–	–	2,004
298	–	636	102	21	50
12,273	38	24,877	4,647	2,321	1,828
17,985	38	33,542	6,542	4,049	3,882
110,595	11,316	182,612	42,200	16,584	36,349
69,583	–	122,713	16,285	8,740	16,498
38	–	–	–	–	–
2,380	–	922	186	63	136
273	1	294	–	24	45
72,274	1	123,929	16,471	8,827	16,679
4,302	–	5,490	3,317	1,592	6,347
2,924	4	948	858	1,452	724
7,226	4	6,438	4,175	3,044	7,071
79,500	5	130,367	20,646	11,871	23,750
31,095	11,311	52,245	21,554	4,713	12,599

10 Equity-accounted investees (cont'd)

The following summarises the financial statement of the Group's associates:

30 June 2020	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000
Sale of energy	10,199	–	18,018	3,935	1,371	3,191
Other income	–	–	2,627	–	–	155
Revenue	10,199	–	20,645	3,935	1,371	3,346
Operating costs						
Shared services costs charged by ROHQ	(2,338)	(3)	(2,289)	(469)	(416)	(764)
Development costs	(568)	–	(569)	(212)	(176)	–
Depreciation expenses	–	–	–	–	–	–
	(2,258)	–	(3,604)	(906)	(340)	(760)
	(5,164)	(3)	(6,462)	(1,587)	(932)	(1,524)
Finance income						
Finance costs	61	–	197	3	–	59
Foreign exchange gain/(loss)	(2,169)	–	(5,017)	(532)	(286)	(601)
Net finance income/(costs)	4	–	(31)	309	16	465
	(2,104)	–	(4,851)	(220)	(270)	(77)
Share of profits of associate	–	1,180	–	–	–	–
Profit before tax	2,931	1,177	9,332	2,128	169	1,745
Income tax expenses	–	–	–	–	–	(4)
Profit from continuing operations	2,931	1,177	9,332	2,128	169	1,741
Other comprehensive income						
Foreign operations - foreign currency translation differences	276	3	816	329	73	–
Total comprehensive income	3,207	1,180	10,148	2,457	242	1,741

10 Equity-accounted investees (cont'd)

The following summarises the financial statement of the Group's associates:

31 December 2019	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Wawa HPI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000
Property, plant and equipment	91,376	–	7,736	149,676	32,261	12,548	28,073
Intangible assets	700	–	–	–	–	–	–
Equity-accounted investees	–	10,035	–	–	–	–	4,433
Other non-current receivables	1,225	62	256	474	3,532	72	184
Right-of-use assets	21	–	–	58	30	21	31
Prepayment and other assets	35	–	–	88	23	–	23
Non-current assets	93,357	10,097	7,992	150,296	35,846	12,641	32,744
Loan receivables							
Trade and other receivables	7,080	16	19	7,113	1,684	1,643	1,806
Prepayment and other assets	149	–	120	8,827	57	2	29
Cash and cash equivalents	6,226	27	58	15,063	3,786	1,980	1,524
Current assets	13,455	43	197	31,003	5,527	3,625	3,359
Total assets	106,812	10,140	8,189	181,299	41,373	16,266	36,103
Loans and borrowings							
Employee benefits	70,955	–	–	122,617	17,940	8,778	18,008
Asset retirement obligation	37	–	–	–	–	–	–
Deferred tax liabilities	2,291	–	–	778	183	62	134
Non-current liabilities	269	1	–	290	–	23	44
Loans and borrowings	73,552	1	–	123,685	18,123	8,863	18,186
Trade and other payables	1,653	–	–	6,972	3,229	1,593	6,018
Current tax liabilities	3,927	6	1,660	485	922	1,336	1,034
Current liabilities	18	–	–	9	2	3	9
Total liabilities	5,598	6	1,660	7,466	4,153	2,932	7,061
Net assets	79,150	7	1,660	131,151	22,276	11,795	25,247
	27,662	10,133	6,529	50,148	19,097	4,471	10,856

10 Equity-accounted investees (cont'd)

The following summarises the financial statement of the Group's associates:

31 Dec 2019	Piliia HANGIN US\$'000	Piliia VEWPHI US\$'000	Wawa HPI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000
Sale of energy	16,994	-	-	29,959	7,351	2,729	5,501
Other income	3	-	1	15	6	1	56
Revenue	16,997	-	1	29,974	7,357	2,730	5,557
Operating costs	(4,264)	(24)	(108)	(6,086)	(965)	(1,053)	(1,655)
Shared services costs charged by ROHQ	(1,128)	-	-	(793)	(367)	(135)	(271)
Development costs	-	-	-	-	-	-	-
Depreciation expenses	(4,374)	-	-	(6,896)	(1,787)	(668)	(1,469)
	(9,766)	(24)	(108)	(13,775)	(3,119)	(1,856)	(3,395)
Finance income	354	-	-	661	7	29	7
Finance costs	(7,785)	-	-	(11,110)	(1,160)	(568)	(1,186)
Foreign exchange gain/(loss)	645	(1)	(1)	185	749	179	1,069
Net finance income/(costs)	(6,786)	(1)	(1)	(10,264)	(404)	(360)	(110)
Share of profits of associate	-	121	-	-	-	-	-
Profit/(loss) before tax	445	96	(108)	5,935	3,834	514	2,052
Income tax expenses/credit	(217)	-	-	(298)	6	(23)	(42)
Profit/(loss) from continuing operations	228	96	(108)	5,637	3,840	491	2,010
Other comprehensive income							
Foreign operations - foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income	228	96	(108)	5,637	3,840	491	2,010

10 Equity-accounted investees (cont'd)

The following summarises the financial statement of the Group's associates:

30 June 2020	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Wawa HPI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000	Immaterial Associates US\$'000	Total Associates US\$'000
Carrying amount of interest in associates at 01 January 2020	55,381	40,176	7,638	212,787	42,542	11,029	59,103	5,089	433,742
Group's share of amortisation of intangible asset acquired through business combinations	(1,389)	(1,001)	–	(4,315)	(750)	(158)	(1,494)	–	(9,107)
Group's share of profit from continuing operations	1,607	1,177	(30)	9,295	2,125	169	1,423	(276)	15,490
Effect of exchange rate changes from Project-related agreements & licences	636	458	–	2,162	354	79	739	–	4,428
Group's share of other comprehensive income	275	2	97	816	329	73	318	(37)	1,873
Group's share of total comprehensive income	1,129	636	67	7,958	2,058	163	986	(313)	12,684
Group's contribution during the period	–	–	–	–	–	–	–	857	857
Distribution during the period	–	–	–	(8,088)	–	–	–	–	(8,088)
Elimination of unrealized gains from transactions with associates									
Disposal of interest in associate	–	–	(7,705)	–	–	–	–	–	(7,705)
Carrying amount of interest in associates at 30 June 2020	56,510	40,812	–	212,657	44,600	11,192	60,089	5,633	431,493

On 30 June 2020, the Group sold its interest in Project Wawa for US\$7.3 million and recognised a loss on disposal of US\$0.4 million. In 2019, as part of the cost of disposal of the Group's interest in associate, the Group wrote down its loan receivable to a third party by US\$4.2 million.

10 Equity-accounted investees (cont'd)

The following summarises the financial statement of the Group's associates:

2019	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Wawa HPI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Garcia RSEHI US\$'000	Immaterial Associates US\$'000	Total Associates US\$'000
Acquisitions through business combinations									
Project-related agreements & licences (Intangible asset)	–	–	–	–	–	–	–	–	–
Group's share of amortisation of intangible asset acquired through business combinations	(2,723)	(1,963)	–	(8,465)	(1,470)	(310)	(2,930)	–	(17,861)
Group's share of profit from continuing operations	92	97	(99)	5,361	3,836	490	2,010	(752)	11,035
Effect of exchange rate changes from Project-related agreements & licences	1,370	988	–	4,605	755	169	1,586	–	9,473
Group's share of other comprehensive income	679	39	199	(751)	541	135	–	(20)	822
Group's share of total comprehensive income	(582)	(839)	100	750	3,662	484	666	(772)	3,469
Group's contribution during the year	–	–	–	–	–	–	–	3,703	3,703
Distribution during the year	(5,588)	(4,358)	–	(89,945)	–	–	–	–	(99,891)
Elimination of unrealised gains from transactions with associates	–	–	–	–	–	–	–	–	–
Carrying amount of interest in associates at 31 December 2019	55,381	40,176	7,638	212,787	42,542	11,029	59,103	5,089	433,742

11 Loans receivables

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current			
Loan receivables from:			
- Equity-accounted investees	(c)/(d)	43,542	43,051
- Other third parties		13,710	13,477
Promissory note receivables	(a)	7,904	8,001
		65,156	64,529
Less: Impairment loss on loans receivables		(287)	(277)
Total non-current loans receivables		64,869	64,252
Current			
Loan receivables from:			
- Equity-accounted investees	(b)	1,650	1,650
Interest receivables from:			
- Equity-accounted investees	(c)	1,901	1,856
- Promissory note		366	314
- Cross currency swap		3,564	–
- Other third parties		1,552	799
		9,033	4,619
Less: Impairment loss on loans receivables		(31)	(12)
Total current loans receivables		9,002	4,607
		73,871	68,859

- (a) Promissory notes receivable are zero coupon, non-transferable and redeemable, with maturity date of 3 August 2027. At redemption date, the Group is entitled to receive a redemption amount equal to 101% of the principal amount plus accrued redemption fee per annum.
- (b) Loan receivables from equity-accounted investees are unsecured, with 3-5% (2019: 3-5%) interest and repayable quarterly with maturity dates from 2021 to 2026.
- (c) In 2019, loan and interest receivables of US\$4,234,000 was written off as the amount was assessed not to be recoverable (Note 10).
- (d) Loan receivable from an equity-accounted investee is denominated in US\$, unsecured and repayable on demand. The loan bears an interest rate of 7% per annum. Loan and interest receivables from equity-accounted investee are overdue by more than 9 months. These receivable balances are not impaired based on management’s assessment of the counterparties’ repayment capacity.

12 Cash and cash equivalents

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Bank balances		394,530	572,735
Bank deposits		51,681	61,726
Cash and cash equivalents in the consolidated statement of financial position		446,211	634,461
Restricted bank balances and deposits	(a)	(41,715)	(362,463)
Bank overdrafts used for cash management purposes		(8,333)	(8,908)
Cash and cash equivalents in the consolidated statement of cash flows		396,163	263,090

12 Cash and cash equivalents (cont'd)

- (a) As at 30 June 2020, \$29.8 million (2019: \$57.9 million)) of the Group’s cash and cash equivalents were held under debt service reserve accounts which represents a reserve account used for debt service of project finance debt when cash flow available for debt services is inadequate to service the project finance debt.

13 Derivative assets and liabilities

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Derivative assets			
Non-current			
Electricity derivative		122,744	117,992
Cross currency swaps	(a)	4,497	
		127,241	117,992
Current			
Electricity derivative		3,186	-
Cross currency swaps		5,804	3,888
		8,990	3,888
Total derivative assets		136,231	121,880
Derivative liabilities			
Non-current			
Interest rate swaps		27,957	19,002
		27,957	19,902
Current			
Forward exchange contract		465	191
Interest rate swaps		2,821	2,310
		3,286	2,501
Total derivative liabilities		31,243	22,403

- (a) During the year, the Group entered into cross currency swaps which matures in 2025 and with an aggregate notional amount of JPY 36.0 billion, whereby the Group is required to make semi-annual interest payments calculated at fixed interest rates between 1.215% to 1.265%.

These cross currency swaps are designated as hedging instruments for giving effect to hedge accounting applied at the Group level. The Group’s accounting policy for this hedge is set out in Note 5.1 and the hedge effectiveness is illustrated in Note 28.

14 Prepayments and other assets

	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current		
Prepaid O&M mobilisation fees	4,088	1,339
Deposits	—	2,791
Other assets	10,933	13,411
	15,021	17,541
Current		
Prepaid Insurance	2,109	975
Other prepayments	9,412	5,604
Other assets	2,281	2,141
	13,802	8,720
	28,823	26,261

15 Trade and other receivables

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current			
Deposits		2,032	–
Current			
Trade receivables		56,554	65,855
Contract assets		31,988	27,475
Amount due from:			
- Equity-accounted investees	(a)	2,525	2,242
- Other third parties		14,783	4,635
Deposits		21,453	20,642
Other receivables	(b)	9,491	12,801
Other tax receivables		22,152	11,574
		158,946	145,224
Less: Impairment loss on trade and other receivables		(3,905)	(10,234)
		155,041	134,990
Total trade and other receivables		157,073	134,990

- (a) The amount due from equity-accounted investees of US\$2.5 million (2019: US\$2.2 million) is non-trade, unsecured, non-interest bearing and repayable on demand.
- (b) Included in other receivables are delay liquidated damages receivable from EPC contractors in Indonesia of US\$4 million (2019: US\$5.5 million).

Disaggregation of trade receivables

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

	30 June 2020 US\$'000	31 December 2019 US\$'000
Australia	–	–
India	48,082	53,816
Indonesia	3,639	6,810
Taiwan	5	48
Thailand	4,516	4,748
Japan	300	–
Singapore	12	433
	56,554	65,855

Vena Energy Holdings Ltd and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd and its subsidiaries
Zenith Japan Holdings Trust and its subsidiaries
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16 Loans and borrowings

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current			
Project finance debt		1,241,475	1,038,339
Euro Medium Term Note	(a)	320,997	–
Term loan		145,181	470,978
Lease liabilities		242,174	147,522
		<u>1,949,827</u>	<u>1,656,839</u>
Current			
Project finance debt		108,372	57,281
Revolving credit facility		70,176	146,279
External party loan		420	420
Bank overdrafts		8,333	8,908
Lease liabilities		9,733	7,087
Interest payable			
- Third parties		4,945	1,416
- Cross currency swap		1,447	–
		<u>203,426</u>	<u>221,391</u>
		<u>2,153,253</u>	<u>1,878,230</u>

(a) On 27 February 2020, a related party, Vena Energy Capital Pte. Ltd., issued U.S.\$325,000,000 3.133 per cent. Notes due 2025 under the US\$1,000,000,000 Global Medium Term Note Programme on the Singapore Stocks Exchange. The Notes will bear interest at the rate of 3.133 per cent. per annum from and including 26 February 2020, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2020. The Notes will mature on 26 February 2025.

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

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

Gross debt

	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current		
Project finance debt	1,259,211	1,054,041
Euro Medium Term Note	325,000	–
Term loan	145,181	470,978
	<u>1,729,392</u>	<u>1,525,019</u>
Current		
Project finance debt	111,576	58,419
Revolving credit facility	70,176	146,279
External party loan	420	420
Bank overdrafts	8,333	8,908
	<u>190,505</u>	<u>214,026</u>
	<u>1,919,897</u>	<u>1,739,045</u>

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17 Trade and other payables

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Trade payables		7,651	24,205
Payables to EPC contractors		33,379	4,345
Accrued operating expenses		36,230	81,869
Accrued staff costs		1,393	1,211
Deferred income	(b)	6,887	6,861
Other tax payable		8,005	6,033
Amount due to:			
- Equity-accounted investees	(a)	165	373
- Other third parties	(c)	25,578	5,451
		119,288	130,348

- (a) The amount due to equity-accounted investees of US\$165,000 (2019: US\$3,000) is non-trade, unsecured, non-interest bearing and repayable on demand.
- (b) Included in deferred income is contract liabilities of US\$1.5 million (2019: US\$1.4 million) which relates to advances received from customers for services yet to be fulfilled, US\$4.3 million (2019: US\$4.5 million) which relates to government grants on project, amortized over PPA period of 25 years and US\$280,000 (2019 Nil) which relates to government grants on bond issuance, amortized over bond life of 5 years.
- (c) Included in amount due to other third parties is an amount of US\$11.6million which relates to Zenith Japan Trust's share of contribution to a investment in joint venture, which was settled in July 2020.

18 Revenue

The Group's revenue comprises:

	Six months period ended	
	30 June 2020 US\$'000	30 June 2019 US\$'000
Sale of energy	145,545	142,339
Service concession income	1,119	23,589
Fee income	4,249	1,242
	150,913	167,170

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Sale of energy

Nature of goods or services	Sale of renewable energy
When revenue is recognised	Revenue from sale of electricity is recognised in profit or loss when the electricity generated is distributed to the customer. Revenue is determined based on the units of sales delivered at the applicable tariff rates.
Payment terms	30 – 90 days

18 Revenue (cont'd)

Service Concession Arrangements

In 2018, the Group entered into service concession agreements with Perusahaan Listrik Negara, a government-owned corporation (the grantor), to construct and operate 5 renewable energy plants. Under the terms of the agreement, the Group will operate the plant and provide electricity to the grantor for a concession period from 20-30 years, starting from the plants' commercial operation date. The Group will be responsible for any maintenance services required during the concession period. The Group does not expect major repairs to be necessary during the concession period.

The Group has received the right to receive a fixed tariff, adjusted for exchange rate differences, for the provision of electricity to the grantor. At the end of the concession period, the plant becomes the property of the grantor and the Group will have no further involvement in its operation or maintenance requirements.

During the period, the Group recorded the following in respect of its service concession arrangement:

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Revenue	1,119	23,589
Profit	—	—

The revenue recognised in relation to construction in 2019 represents the fair value of the construction services provided in constructing the plant. The Group has recognised US\$167.5 million (2019: US\$169.7 million) in intangible asset as at 30 June 2020.

Disaggregation of revenue from contracts with customers

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

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Japan Solar	51,379	54,332
Taiwan Solar	7,467	1,329
Thailand Solar	24,478	25,288
Indonesia Solar	14,459	—
Indonesia Wind	28,241	9,160
Australia Solar	5,766	1,579
India Solar	3,693	16,114
India Wind	10,062	34,537
	145,545	142,339

Contract balances

Please refer to note 15 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Please refer to note 17 for contract liabilities primarily relating to advance consideration received from customers for performance of service contracts.

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19 Other income

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Insurance claim	1,412	1,607
Government grants	197	–
Ancillary income	–	1,239
Others	263	1,361
	<u>1,872</u>	<u>4,207</u>

20 Operating costs

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Operations and maintenance costs	11,790	12,077
Utilities and transmission costs	2,606	1,398
Asset related insurance	1,777	1,199
Professional fees	1,898	1,848
Rental - land & site office	203	315
IT expenses	4	3
Asset related tax and levies	2,391	4,149
Other general and administrative costs	953	568
	<u>21,622</u>	<u>21,557</u>

Staff costs of US\$2.3million (2019:US\$2.1 million) is included within Operations and maintenance costs.

21 Shared services costs

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Staff costs	20,651	13,588
Directors and Investment Committee members fee	320	124
Occupancy costs	576	340
IT expenses	902	659
Professional fees	2,352	3,971
Secondment fee	161	1,128
Insurance	220	144
Travel and entertainment expenses	796	1,221
Other general and administrative costs	1,955	1,289
	<u>27,933</u>	<u>22,464</u>
Less: shared service costs capitalised	<u>(12,957)</u>	<u>(4,747)</u>
	<u>14,976</u>	<u>17,717</u>

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22 Development costs

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Staff costs	1	7
Professional fees	300	970
Travel and entertainment expenses	127	221
Occupancy costs	110	70
Other general and administrative costs	425	543
	963	1,811

23 Finance income and finance costs

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Finance income		
Interest income from:		
- Loan to third party	1,374	2,167
- Sale of subsidiaries	—	1,047
- Bank deposits	1,545	2,515
- Cross currency swap	3,564	—
Total finance income	6,483	5,729
Finance costs		
Interest expense on:		
- Project finance debt	(28,355)	(26,423)
- Term loan	—	(15,454)
- Lease liabilities	(1,088)	(1,057)
- Bond issued	(1,448)	—
- Cross currency swap	(3,564)	—
- Other third parties	(3,565)	—
Other finance costs	(2,760)	(6,167)
Total finance costs	(40,780)	(49,101)

24 Change in fair value of financial instrument at FVTPL

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Gain/(loss) on change in fair value:		
- Equity investment	(1,824)	—
- Debt investment	—	178
- Electricity derivatives	8,314	(9,709)
- Forward contract	(139)	—
- Interest swaps	(9,048)	(22,678)
- Cross currency swaps not qualifying as hedges	2,177	(384)
Hedge ineffectiveness of cross currency interest rate swaps	16,150	—
	15,630	(32,593)

25 Profit before tax

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

	Six months period ended	
	30 June	30 June
	2020	2019
	US\$'000	US\$'000
Staff costs		
Wages and salaries	15,408	11,682
Ordinary bonus	3,492	456
Contributions to defined contribution plans	366	256
Employee insurance	727	947
Recruitment fee	363	749
Staff benefits, allowances and others	2,685	1,636
	23,041	15,726

26 Fair value of financial instruments

Fair value measurement

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

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

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

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

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

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

26 Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value				
Note	Group	Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	30 June 2020								
	Loans receivables	–	73,871	–	73,871				
	Trade and other receivables*	–	134,921	–	134,921				
	Other investments	1,501	–	–	1,501		–	1,501	1,501
	Electricity derivative	125,930	–	–	125,930	–	–	125,930	125,930
	Cross currency swaps	10,301	–	–	10,301	–	10,301	–	10,301
	Cash and cash equivalents	–	446,211	–	446,211				
		137,732	655,003	–	792,735				
	Loans and borrowings	–	–	(2,153,253)	(2,153,253)				
	Interest rate swaps	(30,778)	–	–	(30,778)	–	(30,778)	–	(30,778)
	Forward exchange contract	(465)	–	–	(465)	–	(465)	–	(465)
	Trade and other payables*	–	–	(104,396)	(104,396)	–		–	
		(31,243)	–	(2,257,649)	(2,288,892)				

* Excludes non-financial assets and liabilities

26 Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value				
	Note	Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Group									
31 December 2019									
Assets									
	11	–	67,003	–	67,003				
	15	–	126,207	–	126,207				
		5,062	–	–	5,062	–	1,800	3,262	5,062
	13	117,992	–	–	117,992	–	–	117,992	117,992
	13	3,888	–	–	3,888	–	3,888	–	3,888
	12	–	634,461	–	634,461				
		126,942	827,671	–	954,613				
Liabilities									
	16	–	–	(1,878,230)	(1,878,230)				
	13	(20,312)	–	–	(20,312)	–	(20,312)	–	(20,312)
	13	(191)	–	–	(191)	–	(191)	–	(191)
	17	–	–	(123,104)	(123,104)				
		(20,503)	–	(2,001,334)	(2,021,837)				

* Excludes non-financial assets and liabilities

26 Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Other investments: Equity investments – at FVTPL	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Capacity in development Discount rate	The estimated fair value would increase (decrease) if: - the capacity in development was higher (lower); - the discount rates was lower (higher).
Other investments: Debt investments – at FVTPL	<i>Market comparison:</i> The fair value is estimated considering current or recent quoted prices for identical securities in markets that are not active.	Not applicable.	Not applicable.
Electricity derivative	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the expectation of spot rates for the duration of the contract.	Spot rate Discount rate	The estimated fair value would increase (decrease) if: - The spot rate was lower (higher); - The discount rate was lower (higher).
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward rates at the reporting date and present value calculations based on yield curves in respective currencies.	Not applicable.	Not applicable.

26 Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments measured at fair value (cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Cross currency swaps	Swap models: Cross currency swaps are measured using quoted forward exchange rates and yield curves from quoted interest rates of the respective currencies, matching maturities of the swaps.	Not applicable.	Not applicable.

Level 3 fair values

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

	Group			
	30 June 2020		31 December 2019	
	Equity investments – at FVTPL US\$'000	Electricity derivative US\$'000	Equity investments – at FVTPL US\$'000	Electricity derivative US\$'000
Beginning balance	3,262	117,992	–	50,226
Additions	–	–	3,271	–
Disposals	–	–	–	–
Total unrealised gains and losses recognised in profit or loss	(1,824)	8,313	–	68,937
Foreign currency translation recognised in OCI	63	(375)	(9)	(1,171)
Ending balance	1,501	125,930	3,262	117,992

27 Business combination

On 5 August 2019, the Group invested in KP Energy GK, a solar renewable energy development company, via Tokumei Kumiai (TK) agreement in Japan of 99% TK interest, amounting to cash consideration of JPY3.9 billion (US\$36.3 million). On 16 January 2020, control was assumed upon fulfilment of all conditions precedents and was consolidated as a direct subsidiary of the Group.

For the six months ended 30 June 2020, KP Energy GK contributed revenue of US\$6.0 million and profit of US\$ 0.9 million to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have been US\$51.7 million, and consolidated loss for the period would have been US\$3.7 million. In determining these amounts, management has assumed the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

27 Business combination (cont'd)

Acquisition-related costs

The Group incurred acquisition-related costs of US\$ 5.5 million on professional fees including legal fees and brokerage fees. These costs have been included in 'acquisition costs' in the statement of comprehensive income.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	US\$'000	
Initial cash consideration		35,750
NCI, based on the proportionate interest in recognised amounts of the assets and liabilities of the acquiree		363
Cash consideration on closing adjustment		151
Total cash consideration		36,264

	Note	US\$'000
Property, plant and equipment	7	54,728
Right-of-use assets	8	14,686
Intangible assets	9	22,732
Prepayment and other assets		15,853
Trade and other receivables		644
Loans and borrowings		(56,546)
Trade and other payables		(15,833)
Total identifiable net assets		36,264

Measurement of fair values

The valuation techniques used for measuring the fair value of material asset acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolesces.
Intangible assets	Discounted cash flow model.

The trade and other receivables comprise gross contractual amounts due of US\$644,000, expected to be collectible in full.

Fair values measured on a provisional basis

The fair value of KP Energy GK's intangible assets (power purchase agreement) has been determined provisionally pending completion of an independent valuation.

If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of the acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

28 Hedge Accounting

Net investment hedges

The Group has applied its hedge accounting policy to reflect the risk management strategy adopted for hedging the foreign currency risk arising from net foreign investment in Japan by utilising a cross currency interest rate swap entered into by Vena Energy Capital Pte Ltd as a hedging instrument.

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

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

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

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

28 Hedge Accounting (cont'd)

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

2020			During the six months ended 30 June 2020					
Line item in the statement of financial position where the hedging instrument is included			Change in value used for calculating hedge ineffectiveness for 2019 \$'000	Change in value of hedging instrument recognised in OCI \$'000	Hedge ineffectiveness recognised in profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss \$'000	Line item affected in profit or loss because of the reclassification
Nominal amount \$'000	Carrying amount – assets \$'000	Carrying amount – liabilities \$'000						
35,978,150	4,497	–	Derivative assets	4,497	(11,653)	16,150	Change in fair value of financial instrument at FVTPL	–
Cross Currency Interest Rate Swap								Not applicable

The amounts related to items designated as hedged items were as follows.

2020		During the six months ended 30 June 2020	
Change in value used for calculating hedge ineffectiveness \$'000	Foreign currency translation reserve \$'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied \$'000	
11,653	11,653	Not applicable	
JPY net investment			

Hedge accounting is applied by the Group in 2020 hence comparatives are not presented for 2019.

29 Transactions with equity holders

During six-months ended 30 June 2020:

- (a) Vena Energy Holdings Ltd. converted an advance from its immediate holding company of US\$ 15,674,000 into 15,674,240 shares at a par value of US\$ 0.01 and share premium of US\$15,517,497. Vena Energy (Taiwan) Holdings Ltd converted an advance from its immediate holding company of US\$ 1,174,221 into 1,174,221 shares at a par value of US\$ 0.01 and share premium of US\$1,162,479. The shares were issued and fully paid.
- (b) Vena Energy Holdings Ltd repurchased a total of 139,200,000 shares with a par value US\$ 0.01 and share premium of US\$137,808,000 for a consideration of US\$139,200,000 from its immediate holding company. Vena Energy (Taiwan) Holdings Ltd entered into share repurchase agreement with its immediate holding company to repurchase 2,300,000 shares of US\$0.01 par value and share premium of US\$2,297,700 for a consideration of US\$2,300,000. The shares were issued and fully paid.
- (c) Zenith Japan Holdings Trust issued 13,131,539 units which were issued and fully paid.
- (d) The unitholders of Zenith Japan Holdings Trust redeemed 66,310,372 of its units as a price of US\$1.01104 per unit for the aggregate consideration of US\$ 67,000,000.

30 Reserves

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

	Group	
	30 June 2020	31 December 2019
	\$'000	\$'000
Capital reserve	50,000	79,980
Translation reserve	25,294	6,199
Defined benefit reserve	82	82
	<u>75,376</u>	<u>86,261</u>

Capital reserve

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

Translation reserve

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

Defined benefit reserve

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

31 Commitments

Acquisition of subsidiaries

On 5 August 2019, the Group entered into an agreement to acquire 100% TK interest of KP Energy in amount of JPY 3.9b (US\$36.5m). On 16 January 2020, full consideration was paid to the seller and TK interest of KP Energy was transferred to the Group upon payment.

On 16 January 2020, the Group entered into a share purchase agreement to acquire 100% of Zeini Solar (S) Pte Ltd. On 17 January 2020, JPY 72.5m was paid to the seller. The transaction is subject to certain conditions precedents (“CPs”) including obtaining forest permit. The transaction was closed on 16 January 2020 as all applicable CPs having been satisfied for the closing payment and the land acquisition payment. The management is of view that it is probable that the regulatory approval be obtained, hence the Group is committed to the remaining regulatory payment of JPY1,227m to the seller

On 24 April 2020, the Group entered into a share purchase agreement to acquire 100% of Yokji Offshore Wind Co., Ltd (“Yokji”). In May 2020 and June 2020, KRW 800m was paid to the seller. The transaction was closed on 1 June 2020 as all applicable CPs having been satisfied for the sale and transfer of shares for Yokji. The Group is committed to the remaining payments:

- a) KRW2,200m if a grid connection agreement is legally and effectively executed between Yokji and Korea Electric Power Corporation; and
- b) KRW 5,000m If Yokji has submitted a final and effective notice of the commencement of construction works to the competent Governmental Authority in relation to the Business.

32 Contingent liability

(i) Stand-by letter of credit

In the period from December 2019 to June 2020, the Group entered into several stand-by letter of credit (“SBLC”) arrangements by drawing on an existing revolving credit facility. The SBLC totalled to USD 41 million and expire over the period from October 2020 to July 2022. The SBLC bears an interest of LIBOR + 1.25% per annum.

(ii) Guarantee on bond issuance

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

(ii) Parent Company Guarantees on Turbine Supply Agreement

In February 2020, Vena Energy Limited (“VEL”), a direct subsidiary of the Vena Energy Holdings Ltd., issued parent company guarantees for related companies to a supplier. VEL irrevocably and unconditionally guarantees to the supplier by way of independent obligation with the performance of all payment obligations and duties when due of the related companies up to EUR 8.102 million, USD 5.322 million and JPY 296.876 million.

33 Impact of COVID-19

The Group continues to closely monitor developments related to the global economic shutdown in response to the ongoing coronavirus (“COVID-19”) pandemic. During the first six months of 2020, the Group has not experienced any material financial, operational, construction or liquidity impacts related to COVID-19.

34 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed combined interim financial statements.

35 Subsequent events

On 3rd June 2020, the Group entered into a capital contribution transfer agreement with Hui Xu Energy Ltd (“Seller”) to purchase the shares of Hui Xu Energy Ltd. for a purchase price of NT\$240 million (US\$71 million). As at 30 June 2020, NT\$9.6 million (US\$0.3 million) which represent 4% of total purchase price was paid to the seller and the transfer of shares has been completed on 24 August 2020. The remaining payments are subjected to fulfilment of certain conditions precedents.



**Vena Energy Holdings Ltd
and its subsidiaries**

**(Incorporated in Cayman Islands)
Registration Number: 328011**

Condensed Interim Financial Statements
For the six months ended 30 June 2020

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

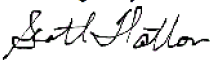
Statement by Directors

In our opinion:

- (a) the accompanying condensed interim financial statements set out on pages FS1 to FS41 comprising the condensed consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2020, the condensed consolidated statement of comprehensive income, changes in equity and cash flows for the Group, and the condensed statement of comprehensive income and changes in equity of the Company for the period then ended, and notes to the condensed interim financial statements, including a summary of significant accounting policies as set out on pages FS1 to FS41, are drawn up so as to present fairly, in all material respects, the condensed consolidated financial position of the Group as at 30 June 2020, and of its condensed consolidated statement of comprehensive income, changes in equity and cash flows for the Group and the condensed statement of financial position of the Company, the condensed statement of comprehensive income, changes in equity and cash flows of the Company for the period ended on that date in accordance with the International Financial Reporting Standards ('IFRS'); and
- (b) at the date of this statement, there are reasonable grounds to believe that the 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 condensed interim financial statements for issue.

On behalf of the Board of Directors

DocuSigned by:

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Director

9 September 2020



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Independent auditors’ report

Board of Directors
Vena Energy Holdings Ltd

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed Interim Financial Statements of Vena Energy Holdings Ltd (‘the Company’) and its Subsidiaries (collectively the ‘Group’), which comprise the condensed statement of financial position of the Group and the Company as at 30 June 2020, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the Group and for the Company for the six months period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Statements based on our review.

Scope of review

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

Conclusion

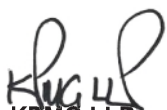
Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements is not presented fairly, in all material respects, in accordance with IAS 34 Interim Financial Reporting.



Vena Energy Holdings Ltd
and its subsidiaries
Independent Auditors' Report
For the six months ended 30 June 2020

Restriction on distribution and use

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



KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 September 2020

Condensed consolidated statement of financial position
As at 30 June 2020

		Group		Company	
	Note	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Assets					
Property, plant and equipment	6	747,129	772,244	–	–
Right-of-use assets	7	35,012	27,194	–	–
Intangible assets	8	1,072,319	1,102,733	–	–
Investment in subsidiaries	9	–	–	1,852,101	1,906,256
Equity-accounted investees	10	371,430	367,015	–	–
Other investments	11	24,181	26,443	–	–
Deferred tax assets		2,522	21,074	–	–
Loans receivables	12	351,573	575,398	125,879	508,665
Derivative assets	13	127,241	117,992	–	–
Prepayment and other assets	15	14,322	14,636	–	–
Non-current assets		2,745,729	3,024,729	1,977,980	2,414,921
Loans receivables	12	8,982	3,680	1,163	981
Trade and other receivables	14	149,420	135,185	6,033	2,169
Prepayment and other assets	15	7,966	4,125	–	–
Derivative assets	13	8,990	3,888	–	–
Cash and cash equivalents	16	172,796	188,618	33,355	23,318
Asset held for sale	10	–	7,638	–	–
Current assets		348,154	343,134	40,551	26,468
Total assets		3,093,883	3,367,863	2,018,531	2,441,389
Equity					
Equity contribution	17	1,566,719	1,690,245	1,566,719	1,690,245
Accumulated profits/(losses)		17,139	17,343	2,802	(2,084)
Reserves	18	3,286	29,984	50,000	65,674
Equity attributable to owner of the Company		1,587,144	1,737,572	1,619,521	1,753,835
Non-controlling interests		79,616	79,620	–	–
Total equity		1,666,760	1,817,192	1,619,521	1,753,835
Liabilities					
Loans and borrowings	19	1,170,280	1,194,592	319,193	470,978
Employee benefits		112	110	–	–
Derivative liabilities	13	17,064	13,183	–	–
Asset retirement obligation		5,744	2,441	–	–
Deferred tax liabilities		19,142	33,496	–	–
Non-current liabilities		1,212,342	1,243,822	319,193	470,978
Loans and borrowings	19	143,969	213,945	72,597	148,096
Derivative liabilities	13	3,286	2,501	465	191
Trade and other payables	20	66,643	89,950	6,755	68,289
Current tax liabilities		883	453	–	–
Current liabilities		214,781	306,849	79,817	216,576
Total liabilities		1,427,123	1,550,671	399,010	687,554
Total equity and liabilities		3,093,883	3,367,863	2,018,531	2,441,389

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2020

	Note	Group		Company	
		Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Dividend income		–	–	9,916	–
Sale of energy		86,699	86,677	–	–
Service concession income		1,119	23,589	–	–
Fee income		26,043	12,786	–	–
Total revenue	21	113,861	123,052	9,916	–
Other income	22	1,071	1,600	–	–
Cost of service concession income		(1,119)	(23,589)	–	–
Operating costs	23	(16,374)	(13,952)	–	–
Shared services costs	24	(27,354)	(21,745)	(304)	(246)
Development costs	25	(199)	(165)	–	–
Depreciation expense	6,7	(18,894)	(16,492)	–	–
Amortisation expense	8	(14,235)	(12,188)	–	–
		(78,175)	(88,131)	(304)	(246)
Finance income	26	8,419	15,791	1,213	11,209
Finance costs	26	(36,893)	(44,755)	(3,716)	(17,373)
Change in fair value of financial instruments at FVTPL	27	8,151	(23,798)	(140)	(4,022)
Net foreign exchange (loss)/gains		(10,481)	401	(3,745)	(3,049)
Net finance costs		(30,804)	(52,361)	(6,388)	(13,235)
Write off of property, plant and equipment		(1)	(8)	–	–
Writeback of impairment loss on financial assets		917	–	1,662	–
Expenses relating to acquisition of subsidiaries		(442)	–	–	–
Loss on disposal of interest in equity-accounted investee	10	(435)	–	–	–
Share of net profit of equity-accounted investees, net of tax	10	6,469	3,237	–	–
Profit/(loss) before tax	28	12,461	(12,611)	4,886	(13,481)
Tax expense		(7,875)	(6,133)	–	–
Profit/(loss) for the period		4,586	(18,744)	4,886	(13,481)
Profit/(loss) attributable to:					
Owner of the Company		(204)	(23,528)		
Non-controlling interests		4,790	4,784		
		4,586	(18,744)		

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

Condensed consolidated statement of comprehensive income (cont'd)
For the six months ended 30 June 2020

		Group		Company	
	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(17,477)	14,164	–	–
Equity-accounted investees – share of OCI	10	5,244	6,144	–	–
Foreign currency translation differences on disposal of equity-accounted investee reclassified to profit or (loss)	10	27	–	–	–
Other comprehensive (loss)/income for the period		(12,206)	20,308	–	–
Total comprehensive (loss)/income for the period		(7,620)	1,564	4,886	(13,481)
Total comprehensive income/(loss) attributable to:					
Owner of the Company		(11,228)	(5,352)		
Non-controlling interests		3,608	6,916		
		(7,620)	1,564		

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

Condensed consolidated statement of changes in equity (cont'd)
For the six months ended 30 June 2019

	Attributable to owner of the Company					Non-controlling interest US\$'000	Total equity US\$'000
	Equity contribution US\$'000	Accumulated losses US\$'000	Translation reserves US\$'000	Other reserves US\$'000	Total US\$'000		
At 1 January 2019	1,690,245	(7,490)	(52,371)	65,772	1,696,156	74,427	1,770,583
Total comprehensive income/(loss) for the period Profit/(loss) for the period	–	(23,528)	–	–	(23,528)	4,784	(18,744)
Other comprehensive income Foreign currency translation differences	–	–	12,032	–	12,032	2,132	14,164
Equity-accounted investees – share of OCI	–	–	6,144	–	6,144	–	6,144
Total comprehensive income/(loss) for the period	–	(23,528)	18,176	–	(5,352)	6,916	1,564
Transactions with owner, recognised directly in equity Contributions by and distributions to owner Dividends declared	–	–	–	–	–	(3,030)	(3,030)
Total contributions by and distributions to owner	–	–	–	–	–	(3,030)	(3,030)
At 30 June 2019	1,690,245	(31,018)	(34,195)	65,772	1,690,804	78,313	1,769,117

* Less than US\$1,000

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

Condensed company statement of changes in equity
For the six months ended 30 June 2020

	Note	Equity contribution US\$'000	Other reserves US\$'000	Accumulated profits US\$'000	Total US\$'000
At 1 January 2020		1,690,245	65,674	(2,084)	1,753,835
Total comprehensive income for the period					
Profit for the period		–	–	4,886	4,886
Transactions with owners, recognised directly in equity					
Distributions to owners					
Issue of shares	17	15,674	–	–	15,674
Conversion of advance from immediate holding company	17	–	(15,674)	–	(15,674)
Repurchase of shares	17	(139,200)	–	–	(139,200)
Total distributions to owners/Total transactions with owners		<u>(123,526)</u>	<u>(15,674)</u>	<u>4,886</u>	<u>(134,314)</u>
At 30 June 2020		<u>1,566,719</u>	<u>50,000</u>	<u>2,802</u>	<u>1,619,521</u>
At 1 January 2019		1,690,245	65,674	23,627	1,779,546
Total comprehensive income for the period					
Loss for the period		–	–	(13,481)	(13,481)
At 30 June 2019		<u>1,690,245</u>	<u>65,674</u>	<u>10,146</u>	<u>1,766,065</u>

* Less than US\$1,000

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

Condensed consolidated statement of cash flows
For the six months ended 30 June 2020

Group	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Cash flows from operating activities			
Profit/(Loss) before tax		12,461	(12,611)
Adjustments for:			
Depreciation expense	6,7	18,894	16,492
Amortisation expense	8	14,235	12,188
Finance income	26	(8,419)	(15,791)
Finance costs	26	36,893	44,755
Change in fair value of financial instrument at FVTPL	27	(8,151)	23,798
Unrealised foreign exchange loss		1,895	5,799
Property, plant and equipment written off	6	1	8
Writeback of impairment loss on financial assets		(917)	–
Loss on disposal of interest in equity-accounted investee	10	435	–
Share of net profit of equity-accounted investees, net of tax	10	(6,469)	(3,237)
		60,858	71,401
Changes in:			
- Trade and other receivables		(11,815)	10,062
- Prepayments and other assets		(3,646)	(520)
- Trade and other payables		(23,691)	(29,415)
- Provisions and employee benefits		4	(148)
Cash generated from operating activities		21,710	51,380
Tax paid		(2,007)	(2,803)
Net cash from operating activities		19,703	48,577
Cash flows from investing activities			
Purchase of property, plant and equipment		(25,442)	(18,881)
Development expenditures under service concession arrangement	8	–	(23,818)
Acquisition of interest in equity-accounted investees	10	(857)	(1,658)
Proceeds from disposal of interest in equity-accounted investee	10	300	–
Additions of project-related agreements and licences	8	(516)	–
Purchases of equity investments		(241)	–
Disposal of debt instruments	11	1,800	–
Proceeds from repayment of loans receivables from related parties		609,535	74,269
Disbursement of loan to related parties		(379,398)	(207,632)
Proceeds from repayment of loans receivables from equity-accounted investees		2,179	3,309
Distributions from equity-accounted investees	10	8,088	76,110
Interest received		2,953	13,016
Deposits pledged	16	(2,218)	7,311
Net cash from/(used in) investing activities		216,183	(77,974)

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

Condensed consolidated statement of cash flows (cont'd)
For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Cash flows from financing activities			
Repurchase of ordinary shares		(139,200)	–
Proceeds from drawdown of loans and borrowings		347,796	153,580
Proceeds from issuance of Euro Medium Term Note	19	325,000	–
Repayment of loans and borrowings		(755,518)	(179,428)
Payment of transaction costs related to loans and borrowings		(1,894)	(2,977)
Payment of transaction costs related to Euro Medium Term Note		(4,003)	–
Proceeds from lease liabilities		–	84
Payment of lease liabilities		(2,343)	(1,949)
Interest paid for loans and borrowings		(29,493)	(43,031)
Dividends paid to non-controlling interests		(3,612)	(3,030)
Net cash used in financing activities		(263,267)	(76,751)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at 1 January	16	154,029	270,925
Effect of exchange rate fluctuations on cash held		9,916	(3,222)
Cash and cash equivalents at 30 June	16	136,564	161,555

Significant non-cash transaction

The repayment of the Company's intragroup loan due from related party, Vena Energy (Taiwan) Holdings Ltd ("VETHL"), amounting to US\$29,226,413 (2019: Nil) was made by the Company's direct subsidiary, Vena Energy Capital Pte Ltd, and off set via an intragroup loan to VETHL of an equivalent amount.

On 20 April 2020, the amount of US\$15,674,240 in capital reserves has been converted into 15,674,240 shares at a par value of US\$0.01 and share premium of US \$15,517,497.

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

Condensed company statement of cash flows
For the six months ended 30 June 2020

Company	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Cash flows from operating activities			
Profit/(Loss) before tax		4,886	(13,481)
Adjustments for:			
Finance income	26	(1,213)	(11,209)
Dividend income		(9,916)	
Finance costs	26	3,716	17,373
Change in fair value of financial derivatives		140	4,022
Writeback of impairment loss on financial assets		(1,662)	
Foreign exchange loss		10,185	3,083
		<u>6,136</u>	<u>(212)</u>
Changes in:			
- Trade and other receivables		(3,855)	24,334
- Trade and other payables		(48)	27,250
Cash generated from operating activities		<u>2,233</u>	<u>51,372</u>
Cash flows from investing activities			
Capital injection on subsidiaries		(22,489)	–
Distribution from subsidiaries			
- Dividend received		9,916	–
- Reduction in share premium contribution		15,158	5,243
Proceeds from repayment of loans receivables from related parties		639,478	74,269
Disbursement of loan to related parties		(251,396)	(207,632)
Disposal of financial instruments		161	–
Interest received		32	545
Net cash from/(used in) investing activities		<u>390,860</u>	<u>(127,575)</u>
Cash flows from financing activities			
Repurchase of ordinary shares		(139,200)	–
Proceeds from drawdown of loan and borrowings:			
- Revolving credit facility		326,749	92,973
- Intercompany loan		171,705	–
Repayment of loan and borrowings:			
- Revolving credit facility		(408,700)	(118,975)
- Term loan		(328,797)	–
Payment of transaction costs related to loans and borrowings		(2,436)	(370)
Interest paid on:			
- Revolving credit facility		(994)	(239)
- Term loan		(1,599)	(15,513)
Deposit pledged		–	(95)
Net cash used in financing activities		<u>(383,272)</u>	<u>(42,219)</u>
Net increase/(decrease) in cash and cash equivalents		9,821	(118,422)
Cash and cash equivalents at 1 January	16	23,318	144,386
Effect of exchange rate fluctuations on cash held		216	2,492
Cash and cash equivalents at 30 June	16	<u>33,355</u>	<u>28,456</u>

Significant non-cash transaction

During the period, the Company extinguished amount due to its wholly owned subsidiary, Vena Energy Ltd, amounting to US\$61 million with dividends declared by the wholly owned subsidiary from its share premium.

On 20 April 2020, the amount of US\$15,674,240 in capital reserves has been converted into 15,674,240 shares at a par value of US\$0.01 and share premium of US \$15,517,497.

Notes to the condensed interim financial statements

1 Domicile and activities

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

The condensed interim financial statements of the Group as at and for the six months ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the ‘Group’ and individually as ‘Group entities’) and the Group’s interest in equity-accounted investees.

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

The immediate holding company and ultimate controlling company of the Group as at 30 June 2020 are GIP Zenith Ltd and Global Infrastructure Investors III, LLC respectively, of which the former is incorporated in the Cayman Islands and the latter is incorporated in Delaware, U.S.A.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the last annual financial statements as at and for the year ended 31 December 2019. They do not include all of the information required for a complete set of International Financial Reporting Standards (‘IFRS’) financial statements. However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

3 Seasonality in operations

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

4 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period as that of the audited financial statements for the year ended 31 December 2019.

Amendments

The Group has applied the following amendments to and interpretations of the Group accounting policies for the first time for the period beginning on 1 January 2020:

- Definition of a Business (amendments to IFRS 3 *Business Combinations*)
- Amendments to References to Conceptual framework in IFRS Standards
- Definition of Material (amendments to IAS 1 *Presentation of Financial Statements* and to IAS 8 *Changes in Accounting policies, Changes in Accounting Estimates and Errors*)
- Interest Rate Benchmark Reform (amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*)

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

5 Use of judgements and estimates

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

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

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

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

Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Measurement of fair values

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

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

Level 1: 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).

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

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

Further information about the assumptions made in measuring fair values is included in Note 29 Fair value of Financial instruments.

6 Property, plant and equipment

Group Cost	Computers, fittings and fixture and office equipment							Total US\$'000
	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Assets under construction US\$'000	Computers, fittings and fixture and office equipment US\$'000	Assets under construction US\$'000	
At 1 January 2019	10,148	14,773	670,249	224	111,073	2,841	111,073	809,308
Recognition of right-of-use asset on initial application of IFRS16	–	(806)	–	–	–	–	–	(806)
Adjusted balance at 1 January 2019	10,148	13,967	670,249	224	111,073	2,841	111,073	808,502
Additions	11,339	5,154	2,363	61	12,367	958	12,367	32,242
Disposals/write-offs	–	(46)	(51)	–	–	–	–	(97)
Reclassification	–	–	109,915	–	(109,915)	–	(109,915)	–
Effect of exchange rate changes	(179)	1,074	(10,073)	11	(1,689)	146	(1,689)	(10,710)
At 31 December 2019	21,308	20,149	772,403	296	11,836	3,945	11,836	829,937
At 1 January 2020	21,308	20,149	772,403	296	11,836	3,945	11,836	829,937
Additions	3,518	85	133	–	24,461	538	24,461	28,735
Disposals/write-offs	–	–	(65)	–	–	(1)	–	(66)
Effect of exchange rate changes	(309)	(475)	(42,500)	1	(337)	(151)	(337)	(43,771)
At 30 June 2020	24,517	19,759	729,971	297	35,960	4,331	35,960	814,835

6 Property, plant and equipment (cont'd)

Group	Land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Vehicles US\$'000	Computers, fittings and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
Accumulated depreciation							
At 1 January 2019	-	880	23,451	26	794	-	25,151
Recognition of right-of-use asset on initial application of IFRS16	-	(129)	-	-	-	-	(129)
Adjusted balance at 1 January 2019	-	751	23,451	26	794	-	25,022
Depreciation charge for the year	-	1,354	29,869	52	863	-	32,138
Disposals/write-offs	-	(35)	(42)	-	-	-	(77)
Effect of exchange rate changes	-	74	390	10	136	-	610
At 31 December 2019	-	2,144	53,668	88	1,793	-	57,693
At 1 January 2020	-	2,144	53,668	88	1,793	-	57,693
Depreciation charge for the period	-	870	14,867	29	507	-	16,273
Disposals/write-offs	-	-	(64)	-	(1)	-	(65)
Effect of exchange rate changes	-	(204)	(5,884)	(1)	(106)	-	(6,195)
At 30 June 2020	-	2,810	62,587	116	2,193	-	67,706
Carrying amounts							
At 1 January 2019	10,148	13,893	646,798	198	2,047	111,073	784,157
At 31 December 2019	21,308	18,005	718,735	208	2,152	11,836	772,244
At 30 June 2020	24,517	16,949	667,384	181	2,138	35,960	747,129

7 Right-of-use assets

Group	Land and buildings US\$'000	Office lease US\$'000	Others US\$'000	Total US\$'000
Cost				
At 1 January 2019	–	–	–	–
Recognition of right-of-use assets on initial application of IFRS 16	21,590	6,483	300	28,373
Additions	–	1,545	465	2,010
Effect of exchange rate changes	623	49	–	672
At 31 December 2019	22,213	8,077	765	31,055
At 1 January 2020	22,213	8,077	765	31,055
Additions	52	10,067	730	10,849
Effect of exchange rate changes	(590)	162	31	(397)
At 30 June 2020	21,675	18,306	1,526	41,507
Accumulated depreciation				
At 1 January 2019	–	–	–	–
Depreciation expense	(929)	(2,661)	(256)	(3,846)
Effect of exchange rate changes	84	(100)	1	(15)
At 31 December 2019	(845)	(2,761)	(255)	(3,861)
At 1 January 2020	(845)	(2,761)	(255)	(3,861)
Depreciation expense	(343)	(1,990)	(288)	(2,621)
Effect of exchange rate changes	18	(21)	(10)	(13)
At 30 June 2020	(1,170)	(4,772)	(553)	(6,495)
Carrying amounts				
At 1 January 2019	–	–	–	–
At 30 June 2019	21,368	5,316	510	27,194
At 30 June 2020	20,505	13,534	973	35,012

8 Intangible assets

Group	Goodwill US\$'000	Project-related agreements & licences US\$'000	Service concession intangible assets US\$'000	Total US\$'000
Cost				
At 1 January 2019	487,227	477,240	139,507	1,103,974
Service concession	–	–	34,861	34,861
Effect of exchange rate changes	1,057	8,217	–	9,274
At 31 December 2019	488,284	485,457	174,368	1,148,109
At 1 January 2020	488,284	485,457	174,368	1,148,109
Addition	–	516	–	516
Service concession	–	–	1,119	1,119
Effect of exchange rate changes	(1,109)	(18,750)	–	(19,859)
At 30 June 2020	487,175	467,223	175,487	1,129,885

8 Intangible assets (cont'd)

Group	Goodwill US\$'000	Project-related agreements & licences US\$'000	Service concession intangible assets US\$'000	Total US\$'000
Accumulated amortisation				
At 1 January 2019	–	17,569	–	17,569
Amortisation expense	–	21,886	4,715	26,601
Effect of exchange rate changes	–	1,206	–	1,206
At 31 December 2019	–	40,661	4,715	45,376
At 1 January 2020	–	40,661	4,715	45,376
Amortisation expense	–	10,853	3,382	14,235
Effect of exchange rate changes	–	(2,045)	–	(2,045)
At 30 June 2020	–	49,469	8,097	57,566
Carrying amounts				
At 1 January 2019	487,227	459,671	139,507	1,086,405
At 31 December 2019	488,284	444,796	169,653	1,102,733
At 30 June 2020	487,175	417,754	167,390	1,072,319

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

9 Investment in subsidiaries

	Company	
	30 June 2020 US\$'000	31 December 2019 US\$'000
Equity investment, at cost	1,852,101	1,906,256

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

	30 June 2020 US\$'000	31 December 2019 US\$'000
Balance as at 1 January 2020	1,906,256	1,913,741
Reduction in share premium	(76,644)	(7,485)
Capital injection into subsidiary	22,489	–
Balance as at 30 June 2020	1,852,101	1,906,256

10 Equity-accounted investees

Interests in associates

	Group	
	30 June 2020 US\$'000	31 December 2019 US\$'000
Interests in associates	371,430	374,653
Less: Asset held for sale (Wawa)	–	(7,638)
	371,430	367,015

10 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

The Group has 5 (2019: 6) material associates and 11 immaterial associates which are equity accounted. The following are the material associates:

	Hangin ng Amihan Holdings, Inc. and its subsidiaries ('HANGIN')	Vena Energy Wind Phil. Holdings Inc ('VEWPHI') ¹	Helios Solar Energy Holdings Inc. and its subsidiaries ('HSEHI')	First Soleq Holdings Philippines Inc. ('FSHPI')	One Bukidnon Project Holdings Inc. ('OBPHI')
Project name	Pililia	Pililia	Pollo	Ironman	Zorro
Sector	54.0 MW wind	54.0 MW wind	132.5 MW solar	30.4 MW solar	10.5 MW solar
Nature of relationship with the Group	Investment holdings entity for Alternergy Wind One Corporation	Investment holdings entity for Alternergy Wind One Corporation	Investment holdings entity for Helios Solar Energy Corp.	Investment holding entity for First Soleq Energy Corp.	Investment holding entity for Asian Greenenergy Corp.
Principal place of business/ Country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines
Economic interest held (%)	99.84%	99.98%	99.65%	99.90%	99.90%
Effective economic interest held on the underlying project (%)	55.13%	39.84%	99.78%	99.90%	99.90%
Voting rights held (%)	39.92%	44.63%	23.78%	25.00%	25.00%

¹ Through investment in HANGIN & VEWPHI, the Group aggregate economic interest in Project Pililia (54Mw Wind) is 94.97%.

10 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2020	Piililia HANG US\$'000	Piililia VEWPHI US\$'000	Pollo HSEPH US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000
Property, plant and equipment	90,537	–	148,453	31,989	12,410
Intangible assets	711	–	–	–	–
Equity-accounted investees	–	11,215	–	–	–
Other non-current receivables	1,315	63	496	3,600	81
Right-of-use assets	12	–	32	18	12
Prepayment and other assets	35	–	89	51	32
Non-current assets	92,610	11,278	149,070	35,658	12,535
Trade and other receivables	5,414	–	8,029	1,793	1,707
Prepayment and other assets	298	–	636	102	21
Cash and cash equivalents	12,273	38	24,877	4,647	2,321
Current assets	17,985	38	33,542	6,542	4,049
Total assets	110,595	11,316	182,612	42,200	16,584
Loans and borrowings	69,583	–	122,713	16,285	8,740
Employee benefits	38	–	–	–	–
Asset retirement obligation	2,380	–	922	186	63
Deferred tax liabilities	273	1	294	–	24
Non-current liabilities	72,274	1	123,929	16,471	8,827
Loans and borrowings	4,302	–	5,490	3,317	1,592
Trade and other payables	2,924	4	948	858	1,452
Current liabilities	7,226	4	6,438	4,175	3,044
Total liabilities	79,500	5	130,367	20,646	11,871
Net Assets	31,095	11,311	52,245	21,554	4,713

10 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2020	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000
Sale of energy	10,199	–	18,018	3,935	1,371
Other income	–	–	2,627	–	–
Revenue	10,199	–	20,645	3,935	1,371
Operating costs					
Shared services costs charged by ROHQ	(2,338)	(3)	(2,289)	(469)	(416)
Development costs	(568)	–	(569)	(212)	(176)
Depreciation expense	–	–	–	–	–
	(2,258)	–	(3,604)	(906)	(340)
	(5,164)	(3)	(6,462)	(1,587)	(932)
Finance income	61	–	197	3	–
Finance costs	(2,169)	–	(5,017)	(532)	(286)
Net foreign exchange gains/(loss)	4	–	(31)	309	16
	(2,104)	–	(4,851)	(220)	(270)
Share of net profits of associate	–	1,180	–	–	–
Profit/(loss) before tax	2,931	1,177	9,332	2,128	169
Income tax expenses	–	–	–	–	–
Profit/(loss) from continuing operations	2,931	1,177	9,332	2,128	169
Other comprehensive income					
Foreign operations - foreign currency translation differences	276	3	816	329	73
Total comprehensive income	3,207	1,180	10,148	2,457	242

10 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2019	Piliilia HANGIN US\$'000	Piliilia VEWPHI US\$'000	Wawa HPHPI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000
Statement of financial position						
Property, plant and equipment	91,376	–	7,736	149,676	32,261	12,548
Intangible assets	700	–	–	–	–	–
Equity-accounted investees	–	10,035	–	–	–	–
Other non-current receivables	1,225	62	256	474	3,532	72
Right-of-use assets	21	–	–	58	–	21
Prepayment and other assets	35	–	–	88	23	–
Non-current assets	93,357	10,097	7,992	150,296	35,816	12,641
Loan receivables						
Trade and other receivables	7,080	16	19	7,113	1,684	1,643
Prepayment and other assets	149	–	120	8,827	57	2
Cash and cash equivalents	6,226	27	58	15,063	3,786	1,980
Current assets	13,455	43	197	31,003	5,527	3,625
Total assets	106,812	10,140	8,189	181,299	41,343	16,266
Loans and borrowings						
Employee benefits	70,955	–	–	122,617	17,940	8,778
Asset retirement obligation	37	–	–	–	–	–
Deferred tax liabilities	2,291	–	–	778	183	62
	269	1	–	290	–	23
Non-current liabilities	73,552	1	–	123,685	18,123	8,863
Loans and borrowings						
Trade and other payables	1,653	–	–	6,972	3,229	1,593
Current tax liabilities	3,927	6	1,660	485	922	1,336
	18	–	–	9	2	3
Current liabilities	5,598	6	1,660	7,466	4,153	2,932
Total liabilities	79,150	7	1,660	131,151	22,276	11,795
Net Assets	27,662	10,133	6,529	50,148	19,067	4,471

10 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2019	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Wawa HPHPI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000
Statement of comprehensive income						
Sale of energy	16,994	–	–	29,959	7,351	2,729
Other income	3	–	1	15	6	1
Revenue	16,997	–	1	29,974	7,357	2,730
Operating costs						
Shared services costs charged by a subsidiary	(4,264)	(24)	(108)	(6,086)	(965)	(1,053)
Development costs	(1,128)	–	–	(793)	(367)	(135)
Depreciation expenses	–	–	–	–	–	–
	(4,374)	–	–	(6,896)	(1,787)	(668)
	(9,766)	(24)	(108)	(13,775)	(3,119)	(1,856)
Finance income	354	–	–	661	7	29
Finance costs	(7,785)	–	–	(11,110)	(1,160)	(568)
Foreign exchange gain/(loss)	645	(1)	(1)	185	749	179
Net finance costs	(6,786)	(1)	(1)	(10,264)	(404)	(360)
Share of profits of associate	–	121	–	–	–	–
Profit/(loss) before tax	445	96	(108)	5,935	3,834	514
Income tax expenses	(217)	–	–	(298)	6	(23)
Profit/(loss) from continuing operations	228	96	(108)	5,637	3,840	491
Other comprehensive income						
Foreign operations - foreign currency translation differences	679	40	199	1,868	541	135
Total comprehensive income	907	136	91	7,505	4,381	626

10 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

	Piililia	Piililia	Wawa	Pollo	Ironman	Zorro	Immaterial associates US\$'000	Total associates US\$'000
	HANGIN US\$'000	VEWPHI US\$'000	HPHPi US\$'000	HSEHI US\$'000	FSHPI US\$'000	OBPHI US\$'000		
Carrying amount of interest in associates at 1 January 2020	55,381	40,176	7,638	212,787	42,542	11,029	5,100	374,653
Group's share of amortisation of intangible asset acquired through business combinations	(1,389)	(1,001)	–	(4,315)	(750)	(158)	–	(7,613)
Group's share of profit/(loss) from continuing operations	1,607	1,177	(30)	9,295	2,125	169	(261)	14,082
Effect of exchange rate changes from Project- related agreements & licences	636	458	–	2,162	354	79	–	3,689
Group's share of other comprehensive income/(loss)	275	2	97	816	329	73	(37)	1,555
Group's share of total comprehensive income/(loss)	1,129	636	67	7,958	2,058	163	(298)	11,713
Group's contribution during the period	–	–	–	–	–	–	857	857
Distribution during the period	–	–	–	(8,088)	–	–	–	(8,088)
Disposal of interest in associate	–	–	(7,705)	–	–	–	–	(7,705)
Carrying amount of interest in associates at 30 June 2020	56,510	40,812	–	212,657	44,600	11,192	5,659	371,430

On 30 June 2020, the Group sold its interest in Project Wawa for US\$7.3 million and recognised a loss on disposal of US\$0.4 million. In 2019, as part of the cost of disposal of the Group's interest in associate, the Group wrote down its loan receivable to a third party by US\$4.2 million.

10 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2019	Pililia HANGIN US\$'000	Pililia VEWPHI US\$'000	Wawa HPHPI US\$'000	Pollo HSEHI US\$'000	Ironman FSHPI US\$'000	Zorro OBPHI US\$'000	Immaterial associates US\$'000	Total associates US\$'000
Carrying amount of interest in associates at start of the year	61,551	45,373	7,538	301,982	38,880	10,545	2,183	468,052
Group's share of amortisation of intangible asset acquired through business combinations	(2,723)	(1,963)	–	(8,465)	(1,470)	(310)	–	(14,931)
Group's share of profit/(loss) from continuing operations	92	97	(99)	5,361	3,836	490	(721)	9,056
Effect of exchange rate changes from project-related agreements & licences	1,370	988	–	4,605	755	169	–	7,887
Group's share of other comprehensive income/(loss)	679	39	199	(751)	541	135	(20)	822
Group's share of total comprehensive income	(582)	(839)	100	750	3,662	484	(741)	2,834
Group's contribution during the year	–	–	–	–	–	–	3,658	3,658
Distribution during the year	(5,588)	(4,358)	–	(89,945)	–	–	–	(99,891)
Carrying amount of interest in associates at end of the year	55,381	40,176	7,638	212,787	42,542	11,029	5,100	374,653

11 Other investments

	Group		Company	
	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Equity investment – mandatorily at FVTPL	24,181	24,643	–	–
Debt investment – mandatorily at FVTPL	–	1,800	–	–
	24,181	26,443	–	–

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

Debt investment at FVTPL comprise holdings in mutual fund units. These investments are part of the debt service reserve account required to be maintained per requirements of the facility agreement with a financial institution during the tenure of the loan from the financial institution. During the period, mutual funds were disposed and transferred into fixed deposits to maintain requirements of the facility agreement.

12 Loans receivables

	Note	Group		Company	
		30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current					
Loans receivables from:					
- Related parties	(b)	291,918	513,871	126,423	510,862
- Equity-accounted investees	(c)	39,451	43,051	–	–
- Other third parties		13,490	12,640	–	–
Other loans receivables		328	320	–	–
Promissory note receivables	(a)	7,904	8,001	–	–
		353,091	577,883	126,423	510,862
Less: Impairment loss		(1,518)	(2,485)	(544)	(2,197)
Total non-current loans receivables		351,573	575,398	125,879	508,665
Current					
Interest receivables from:					
- Related parties	(b)	1,977	1,009	1,168	985
- Equity-accounted investees		1,569	1,574	–	–
- Other loans receivables		9	7	–	–
- Promissory note receivables		366	313	–	–
- Cross currency swap		3,564	–	–	–
- Other third parties		1,536	793	–	–
		9,021	3,696	1,168	985
Less: Impairment loss		(39)	(16)	(5)	(4)
Total current loans receivables		8,982	3,680	1,163	981

12 Loans receivables (cont'd)

- (a) Promissory notes receivables are zero coupon, non-transferable and redeemable, with maturity date on 3 August 2027. At redemption date, the Group is entitled to receive a redemption amount equal to 1% of the principal amount plus accrued redemption fee per annum.
- (b) Loan receivables from related parties are unsecured, with interest ranging from 1.35%-1.372% per annum (2019:1.35%) and repayable on demand. The Group and the Company does not intend to demand for repayment for the above loans in the next 12 months.
- (c) Loan receivables from equity-accounted investees are unsecured, with 3-5% per annum (2019: 3-5%) interest and repayable quarterly with maturity dates from 2021 to 2026.

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

Gross loans receivables from related parties

	Group		Company	
	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current				
Loans receivables from:				
- Related parties	293,658	513,871	126,423	510,862

13 Derivative assets and liabilities

		Group		Company	
	Note	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Derivative assets					
Non-current					
Electricity derivative		122,744	117,992	—	—
Cross currency swaps	(a)	4,497	—	—	—
		127,241	117,992	—	—
Current					
Electricity derivative		3,186	—	—	—
Cross currency swaps		5,804	3,888	—	—
		8,990	3,888	—	—
		136,231	121,880	—	—
Derivative liabilities					
Non-current					
Interest rate swaps		17,064	13,183	—	—
		17,064	13,183	—	—
Current					
Forward exchange contract		465	191	465	191
Interest rate swaps		2,821	2,310	—	—
		3,286	2,501	465	191
		20,350	15,684	465	191

- (a) During the year, the Group entered into cross currency swaps which matures in 2025 and with an aggregate notional amount of JPY 36.0 billion, whereby the Group is required to make semi-annual interest payments calculated at fixed interest rates between 1.215% to 1.265%.

14 Trade and other receivables

	Note	Group		Company	
		30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Trade receivables		56,555	65,812	—	—
Contract assets		19,786	19,771	—	—
Amounts due from:					
- Indirect subsidiaries	(a)	—	—	6,033	2,178
- Equity-accounted investees	(b)	2,539	2,242	—	—
- Related parties	(c)	36,747	22,736	—	—
- Other third parties		11,781	4,369	—	—
Deposits		12,408	14,164	—	—
Other tax receivables		4,142	3,622	—	—
Other receivables	(d)	9,491	12,800	—	—
		153,449	145,516	6,033	2,178
Less: Impairment loss					
- Trade receivables and contract assets		(3,625)	(8,470)	—	—
- Other receivables		(404)	(1,861)	—	(9)
Total trade and other receivables		149,420	135,185	6,033	2,169

- (a) The amount due from subsidiaries of US\$6 million (2019: US\$2.2 million) is non-trade, unsecured and non-interest bearing and repayable on demand.
- (b) The amount due from equity-accounted investees of US\$2.5 million (2019: US\$2.2 million) is non-trade, unsecured, non-interest bearing and repayable on demand.
- (c) The amount due from related parties are asset management fees and operation and maintenance service charges charged to subsidiaries of Zenith Japan Holdings Trust, and shared service charges charged to subsidiaries of Vena Energy (Taiwan) Holdings Ltd.
- (d) Included in other receivables are delay liquidated damages receivable from EPC contractors in Indonesia of US\$4 million (2019: US\$5.5 million).

15 Prepayments and other assets

	Group	
	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current		
Other prepayments	4,795	4,879
Other assets	9,527	9,757
	14,322	14,636
Current		
Other prepayments	6,794	2,998
Other assets	1,172	1,127
	7,966	4,125
	22,288	18,761

16 Cash and cash equivalents

	Note	Group		Company	
		30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Bank balances		123,127	137,292	33,355	23,318
Short term deposits		49,669	51,326	–	–
Cash and cash equivalents in the statement of financial position		172,796	188,618	33,355	23,318
Restricted bank balances and deposits	(a)	(27,899)	(25,681)	–	–
Bank overdrafts used for cash management purposes		(8,333)	(8,908)	–	–
Cash and cash equivalents in the statement of cash flows		136,564	154,029	33,355	23,318

(a) As at 30 June 2020, US\$27.9 million (2019: US\$25.7 million) of the Group's cash and cash equivalents were held under debt service reserve accounts which represents a reserve account used for debt service of project finance debt when cash flow available for debt services is inadequate to service the project finance debt.

17 Equity contribution

		30 June 2020 US\$'000	31 December 2019 US\$'000
Group and Company			
Equity contribution			
Share capital at US\$0.01 per share		15,667	16,902
Share premium		1,551,052	1,673,343
		1,566,719	1,690,245

	Note	30 June 2020 No. of shares (‘000)	31 December 2019 No. of shares (‘000)
Group and Company			
Issued and fully paid			
At beginning of the period		1,690,245	1,690,245
Issued during the year	(a)	15,674	–
Repurchase of shares	(b)	(139,200)	–
At end of the period		1,566,719	1,690,245

- (a) On 20 April 2020, an advance from immediate holding company of US\$15,674,240 to the Company has been converted into 15,674,240 shares at a par value of US\$0.01 and share premium of US\$15,517,497. The shares were issued and fully paid.
- (b) During the period, the Company repurchased a total of 139,200,000 shares with a par value US\$0.01 and share premium of US\$137,808,000 for a consideration of US\$139,200,000 from its immediate holding company. The shares were issued and fully paid.

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

18 Reserves

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

	Group		Company	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Capital reserve	50,000	65,674	50,000	65,674
Translation reserve	(46,796)	(35,772)	—	—
Defined benefit reserve	82	82	—	—
	3,286	29,984	50,000	65,674

Capital reserve

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

Translation reserve

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

Defined benefit reserve

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

19 Loans and borrowings

		Group		Company	
	Note	30 June	31 December	30 June	31 December
		2020	2019	2020	2019
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current					
Project finance debt		679,346	705,797	—	—
Corporate term loan		145,181	470,978	145,181	470,978
Euro Medium Term Note	(a)	320,997	—	—	—
Loan from Euro Medium Term	(b)	—	—	174,012	—
Note Issuer		—	—	—	—
Lease liabilities		24,756	17,817	—	—
		1,170,280	1,194,592	319,193	470,978
Current					
Project finance debt		53,657	53,770	—	—
Revolving credit facility		70,179	146,279	70,179	146,279
Loan from direct subsidiary		—	—	1,580	1,580
External party loan		420	420	—	—
Bank overdrafts		8,333	8,908	—	—
Lease liabilities		5,190	3,284	—	—
Interest payable		6,190	1,284	838	237
		143,969	213,945	72,597	148,096
		1,314,249	1,408,537	391,790	619,074

19 Loans and borrowings

(a) On 27 February 2020, a direct subsidiary, Vena Energy Capital Pte. Ltd., issued US\$325,000,000 3.133% per annum. Notes due 2025 under the US\$1,000,000,000 Global Medium Term Note Programme on the Singapore Stocks Exchange. The Notes bear interest at the rate of 3.133% per annum from and including 26 February 2020, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2020. The Notes will mature on 26 February 2025.

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

(b) The Euro Medium Term Note Issuer refers to Vena Energy Capital Pte Ltd, a direct subsidiary, which issued US\$325,000,000 3.133% per annum Notes due 2025 under the US\$1,000,000,000 Global Medium Term Note Programme.

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

Gross debt

	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Project finance debt	689,857	717,520	—	—
Term loan	145,181	470,978	145,181	470,978
Bonds payable at amortised cost	325,000	—	—	—
Loan from Bond Issuer	—	—	175,914	—
	<u>1,160,038</u>	<u>1,188,498</u>	<u>321,095</u>	<u>470,978</u>
Current				
Project finance debt	54,857	54,201	—	—
Revolving credit facility	70,179	146,279	70,179	146,279
Loan from direct subsidiary	—	—	1,580	1,580
External party loan	420	420	—	—
Bank overdrafts	8,333	8,908	—	—
	<u>133,789</u>	<u>209,808</u>	<u>71,759</u>	<u>147,859</u>
	<u>1,293,827</u>	<u>1,398,306</u>	<u>392,854</u>	<u>618,837</u>

20 Trade and other payables

	Note	Group		Company	
		30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Amounts due to:					
- Direct subsidiary	(a)	—	—	1,869	63,265
- Indirect subsidiaries	(a)	—	—	4,298	4,201
- Related parties	(b)	7,930	6,577	—	—
- Equity-accounted investees	(c)	165	3	—	—
- Other third parties		10,565	4,815	—	—
Trade payables		6,874	8,624	—	—
Payables to EPC contractors		13,683	12,759	—	—
Other tax payable		4,606	4,703	—	—
Accrued operating expenses		14,245	45,211	588	823
Accrued staff costs		2,500	1,210	—	—
Deferred income	(d)	6,075	6,048	—	—
		66,643	89,950	6,755	68,289

- (a) The amount due to subsidiaries of US\$6.2 million (2019: US\$67.5 million) is non-trade, unsecured, non-interest bearing and repayable on demand.
- (b) Included in amounts due to related parties of US\$7.9 million (2019: US\$6.6 million), are advances received from subsidiaries of Zenith Japan Holdings Trust on asset management fees and operational and maintenance fees.
- (c) The amount due to equity-accounted investees of US\$165,000 (2019: US\$3,000) is non-trade, unsecured, non-interest bearing and repayable on demand.
- (d) Included in deferred income is contract liabilities of US\$1.5 million (2019: US\$1.4 million) which relates to advances received from customers for services yet to be fulfilled, US\$4.3 million (2019: US\$4.5 million) which relates to government grants on project, amortized over PPA period of 25 years and US\$280,000 (2019: Nil) which relates to government grants on bond issuance, amortized over bond life of 5 years.

21 Revenue

The Group's revenue comprises:

	Group		Company	
	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Dividend income	—	—	9,916	—
Sale of energy	86,699	86,677	—	—
Service concession income	1,119	23,589	—	—
Fee income:				
- Shared services fee income	9,887	2,641	—	—
- Operations & Maintenance service fees income	3,810	3,284	—	—
- Lease income	—	32	—	—
- Asset management fee income	12,346	6,829	—	—
	113,861	123,052	9,916	—

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

21 Revenue (cont'd)

Sale of energy

Nature of goods or services	Sale of renewable energy
When revenue is recognised	Revenue from sale of electricity is recognised in profit or loss when the electricity generated is distributed to the customer. Revenue is determined based on the units of sales delivered at the applicable tariff rates.
Payment terms	30-90 days

Service concession arrangements

In 2018, the Group entered into service concession agreements with Perusahaan Listrik Negara, a government-owned corporation (the grantor), to construct and operate 5 renewable energy plants. Under the terms of the agreement, the Group will operate the plant and provide electricity to the grantor for a concession period from 20-30 years, starting from the plants' commercial operation date. The Group will be responsible for any maintenance services required during the concession period. The Group does not expect major repairs to be necessary during the concession period.

The Group has received the right to receive a fixed tariff, adjusted for exchange rate differences, for the provision of electricity to the grantor. At the end of the concession period, the plant becomes the property of the grantor and the Group will have no further involvement in its operation or maintenance requirements.

During the period, the Group recorded the following in respect of its service concession arrangement:

	Group	
	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Revenue	1,119	23,589
Profit	—	—

The revenue recognised in relation to construction in 2020 represents the fair value of the construction services provided in constructing the plant. As at 30 June 2020, the carrying value of the intangible assets held by the Group is US\$167.5 million (2019: US\$169.7 million). (see note 8).

Disaggregation of revenue from contracts with customers

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

	Group	
	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Thailand Solar	24,478	25,287
India Solar	14,459	16,114
India Wind	28,241	34,537
Australia Solar	5,766	1,579
Indonesia Solar	3,693	—
Indonesia Wind	10,062	9,160
	86,699	86,677

21 Revenue (cont'd)

Contract balances

Please refer to note 14 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Please refer to note 20 for contract liabilities primarily relating to advance consideration received from customers for performance of service contracts.

22 Other income

The Group's other income comprises:

	Group Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Insurance claims	402	–
Government grants	197	–
Ancillary income	47	1,239
Others	425	361
	<u>1,071</u>	<u>1,600</u>

23 Operating costs

	Group Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Operations and maintenance costs	10,788	9,561
Utilities and transmission costs	2,344	1,132
Asset related insurance	970	489
Professional fees	1,359	1,297
Rental - land & site office	136	102
Asset related tax and levies	148	296
Travel and entertainment expenses	93	200
Other general and administrative costs	536	875
	<u>16,374</u>	<u>13,952</u>

Staff costs of US\$2.2 million (2019: US\$2.1 million) is included within operations and maintenance costs.

24 Shared services costs

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Staff costs	20,643	13,588	—	—
Directors and Investment Committee members fee	310	121	—	—
Occupancy costs	576	340	—	—
Professional fees	2,193	3,398	258	233
IT expenses	900	655	—	—
Secondment fee	161	1,128	—	—
Insurance	179	109	—	—
Travel and entertainment expenses	796	1,221	—	—
Other general and administrative costs	1,596	1,185	46	13
	27,354	21,745	304	246

25 Development costs

	Group	
	Six months ended	Six months ended
	30 June 2020	30 June 2019
	US\$'000	US\$'000
Staff costs	—*	—*
Professional fees	133	124
Travel and entertainment expenses	9	19
Occupancy costs	9	8
Other general and administrative costs	48	14
	199	165

* Less than US\$1,000.

26 Finance income and finance costs

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Finance income				
Interest income from:				
- Loan to related parties	1,937	10,688	1,154	10,667
- Loan to equity-accounted investees	1,057	621	—	—
- Loan to other third parties	221	2,166	—	—
- Cross currency swap	3,564	—	—	—
- Short term deposits	1,488	2,316	32	542
Other finance income	125	—	—	—
Gain from disposal of financial instrument	27	—	27	—
Total finance income	8,419	15,791	1,213	11,209

26 Finance income and finance costs (cont'd)

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Finance costs				
Interest expense on:				
- Project finance debt	26,870	25,808	–	–
- Term loan and revolving credit facility	2,220	15,454	2,220	15,454
- Loan from Euro Medium Term Note Issuer	–	–	962	–
- Euro Medium Term Note	3,564	–	–	–
- Cross currency swap	1,448	–	–	–
- Lease liabilities	527	690	–	–
- Other finance costs	2,264	2,803	534	1,919
Total finance costs	36,893	44,755	3,716	17,373

27 Change in fair value of financial instrument at FVTPL

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Gain/(loss) on change in fair value:				
- Debt investment	–	178	–	–
- Equity investment	(1,824)	–	–	–
- Electricity derivatives	8,313	(9,709)	–	–
- Forward contract	(190)	–	(140)	–
- Interest rate swaps	(4,822)	(13,883)	–	(4,022)
- Cross currency swaps	6,674	(384)	–	–
	8,151	(23,798)	(140)	(4,022)

28 Profit/(loss) before tax

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

	Group	
	Six months ended	Six months ended
	30 June 2020	30 June 2019
	US\$'000	US\$'000
Staff costs		
Wages and salaries	15,311	11,708
Ordinary bonus	3,492	551
Contributions to defined contribution plans	366	256
Employee insurance	727	950
Recruitment fee	354	749
Staff benefits, allowances and others	2,600	1,624
	22,850	15,838

29 Fair value of financial instruments

Fair value measurement

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

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

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

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

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

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

29 Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount			Fair value				
		Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
30 June 2020									
Loans receivables	12	–	360,555	–	360,555				
Trade and other receivables*	14	–	145,278	–	145,278				
Other investments	11	24,181	–	–	24,181	–	–	24,181	24,181
Electricity derivative	13	125,930	–	–	125,930	–	–	125,930	125,930
Cross currency swaps	13	10,301	–	–	10,301	–	10,301	–	10,301
Cash and cash equivalents	16	–	172,796	–	172,796				
		160,412	678,629	–	839,041				
Loans and borrowings	19	–	–	(1,314,249)	(1,314,249)				
Interest rate swaps	13	(19,885)	–	–	(19,885)	–	(19,885)	–	(19,885)
Forward exchange contract	13	(465)	–	–	(465)	–	(465)	–	(465)
Trade and other payables*	20	–	–	(55,962)	(55,962)				
		(20,350)	–	(1,370,211)	(1,390,561)				

* Excludes non-financial assets and liabilities

29 Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value				
Note	Group	Mandatorily at FVTPL US\$'000	Amortised cost US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
31 December 2019									
12	Loans receivables	–	579,078	–	579,078				
14	Trade and other receivables*	–	131,563	–	131,563				
11	Other investments	26,443	–	–	26,443	–	1,800	24,643	26,443
13	Electricity derivative	117,992	–	–	117,992	–	–	117,992	117,992
13	Forward exchange contract	3,888	–	–	3,888	–	3,888	–	3,888
16	Cash and cash equivalents	–	188,618	–	188,618				
		148,323	899,259	–	1,047,582				
19	Loans and borrowings	–	–	(1,408,537)	(1,408,537)				
13	Interest rate swaps	(15,493)	–	–	(15,493)	–	(15,493)	–	(15,493)
13	Forward exchange contract	(191)	–	–	(191)	–	(191)	–	(191)
20	Trade and other payables*	–	–	(79,199)	(79,199)				
		(15,684)	–	(1,487,736)	(1,503,420)				

* Excludes non-financial assets and liabilities

29 Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount			Fair value			
Note	Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Company								
30 June 2020								
Loans receivables	12	–	127,042	–	127,042			
Trade and other receivables*	14	–	6,033	–	6,033			
Cash and cash equivalents		–	33,355	–	33,355			
		–	166,430	–	166,430			
Loans and borrowings	19	–	–	(391,790)	(391,790)			
Forward exchange contract	13	(465)	–	–	(465)			
Trade and other payables*	20	–	–	(6,755)	(6,755)		–	(465)
		(465)	–	(398,545)	(399,010)			
31 December 2019								
Loans receivables	12	–	509,646	–	509,646			
Trade and other receivables*	14	–	2,169	–	2,169			
Cash and cash equivalents		–	23,318	–	23,318			
		–	535,133	–	535,133			
Loans and borrowings	19	–	–	(619,074)	(619,074)			
Interest rate swaps	13	(191)	–	–	(191)			
Trade and other payables*	20	–	–	(68,289)	(68,289)		(191)	(191)
		(191)	–	(687,363)	(687,554)		–	

* Excludes non-financial assets and liabilities

29 Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Other investments: Equity investments – at FVTPL	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cash flows from the projects, discounted using a risk-adjusted discount rate.	Capacity in development Discount rate	The estimated fair value would increase (decrease) if: - the capacity in development was higher (lower); - the discount rates was lower (higher).
Other investments: Debt investments – at FVTPL	<i>Market comparison:</i> The fair value is estimated considering current or recent quoted prices for identical securities in markets that are not active.	Not applicable.	Not applicable.
Electricity derivative	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the expectation of spot rates for the duration of the contract.	Spot rate Discount rate	The estimated fair value would increase (decrease) if: - The spot rate was lower (higher); - The discount rate was lower (higher).
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward rates at the reporting date and present value calculations based on yield curves in respective currencies.	Not applicable.	Not applicable.

29 Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments measured at fair value (cont'd)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Cross currency swaps	Swap models: Cross currency swaps are measured using quoted forward exchange rates and yield curves from quoted interest rates of the respective currencies, matching maturities of the swaps.	Not applicable.	Not applicable.

Level 3 fair values

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

	Group			
	30 June 2020		31 December 2019	
	Equity investments – at FVTPL US\$'000	Electricity derivative US\$'000	Equity investments – at FVTPL US\$'000	Electricity derivative US\$'000
Beginning balance	24,643	117,992	20,183	50,226
Purchases	241	–	2,055	–
Disposals	–	–	(2,761)	–
Total unrealised gains and losses recognised in profit or loss	(1,824)	8,313	5,166	68,937
Foreign currency translation recognised in OCI	1,121	(375)	–	(1,171)
Ending balance	24,181	125,930	24,643	117,992

30 Commitments

Acquisitions

On 16 January 2020, the Group entered into a share purchase agreement to acquire 100% of Zeini Solar (S) Pte Ltd. On 17 January 2020, JPY 72.5m was paid to the seller. The transaction is subject to certain conditions precedents (“CPs”) including obtaining forest permit. The transaction was closed on 16 January 2020 as all applicable CPs having been satisfied for the closing payment and the land acquisition payment. The management is of view that it is probable that the regulatory approval be obtained, hence the Group is committed to the remaining regulatory payment of JPY 1,227m to the seller.

On 24 April 2020, the Group entered into a share purchase agreement to acquire 100% of Yokji Offshore Wind Co., Ltd (“Yokji”). In May 2020 and June 2020, KRW 800m was paid to the seller. The transaction was closed on 1 June 2020 as all applicable CPs having been satisfied for the sale and transfer of shares of Yokji. As part of the purchase consideration the Group has committed to the remaining contingent payments:

- KRW 2,200m if a grid connection agreement is legally and effectively executed between Yokji and Korea Electric Power Corporation;
- KRW 5,000m if Yokji has submitted a final and effective notice of the commencement of construction works to the competent Governmental Authority in relation to the Business.

31 Contingent liability

(i) Stand-by letter of credit

In the period from December 2019 to June 2020, the Company entered into several stand-by letter of credit (“SBLC”) arrangements by drawing on an existing revolving credit facility. The SBLC totalled to USD 41 million and expire over the period from October 2020 to July 2022. The SBLC bears an interest of LIBOR + 1.25% per annum.

(ii) Guarantee on bond issuance

On 27 February 2020, a direct subsidiary, Vena Energy Capital Pte. Ltd., issued US\$325,000,000 3.133 per cent. Notes due 2025 under the US\$1,000,000,000 Global Medium Term Note Programme on the Singapore Stocks Exchange. The Notes will bear interest at the rate of 3.133 per cent. per annum from and including 26 February 2020, and interest will be payable semi-annually in arrears on 26 February and 26 August in each year, commencing on 26 August 2020. The Notes will mature on 26 February 2025.

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

(iii) Parent Company Guarantees on Turbine Supply Agreement

In February 2020, Vena Energy Limited (“VEL”), a direct subsidiary of the Company, issued parent company guarantees for related companies to a supplier. VEL irrevocably and unconditionally guarantees to the supplier by way of independent obligation with the performance of all payment obligations and duties when due of the related companies up to EUR 8.102 million, USD 5.322 million and JPY 296.876 million.

32 Related parties

The Group has determined the following as related parties in accordance with IAS 24:

- Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and associates
- Zenith Japan Holdings Trust and its subsidiaries

Related parties transactions

During the period, other than those disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial period:

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Fee income	26,043	12,786
Other income	—	1,213

33 Impact of COVID-19

The Company continues to closely monitor developments related to the global economic shutdown in response to the ongoing coronavirus (“COVID-19”) pandemic. During the first six months of 2020, the Company has not experienced any material financial, operational, construction or liquidity impacts related to COVID-19.

34 Subsequent events

Subscription of shares

In period from August 2020 to September 2020, the Company subscribed a total of 16,929,018 ordinary shares of US\$1 each for a total of US\$16,929,018 in direct subsidiaries.

35 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed interim financial statements.



**Vena Energy (Taiwan) Holdings Ltd
and its subsidiaries**

(Incorporated in Cayman Islands)
Registration Number: 328010

Condensed Interim Financial Statements
For the six months ended 30 June 2020

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

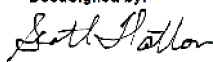
Statement by Directors

In our opinion:

- (a) the accompanying condensed consolidated interim financial statements set out on pages FS1 to FS24 comprising the condensed consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2020, the condensed consolidated statement of comprehensive income, changes in equity and cash flows for the Group, and the condensed statement of comprehensive income and changes in equity of the Company for the period then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies as set out on pages FS1 to FS24, are drawn up so as to present fairly, in all material respects, the condensed consolidated financial position of the Group as at 30 June 2020, and of its condensed consolidated statement of comprehensive income, changes in equity and cash flows for the Group and the condensed statement of financial position of the Company, the condensed statement of comprehensive income, changes in equity and cash flows of the Company for the period ended on that date in accordance with the International Financial Reporting Standards ('IFRS'); and
- (b) at the date of this statement, there are reasonable grounds to believe that the 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 condensed consolidated interim financial statements for issue.

On behalf of the Board of Directors

DocuSigned by:

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Director

9 September 2020



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Independent auditors’ report

Member of the Company
Vena Energy (Taiwan) Holdings Ltd

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed Interim Financial Statements of Vena Energy (Taiwan) Holdings Ltd (‘the Company’) and its subsidiaries (collectively the ‘Group’), which comprise the condensed statement of financial position of the Group and the Company as at 30 June 2020, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the Group and for the Company for the six months period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this Condensed Interim Financial Statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements is not presented fairly, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.



**Vena Energy (Taiwan) Holdings Ltd
and its subsidiaries**
*Independent Auditors' Report
For the six months ended 30 June 2020*

Restriction on distribution and use

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


KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore

9 September 2020

Condensed consolidated statement of financial position
As at 30 June 2020

		Group		Company	
	Note	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Assets					
Property, plant and equipment	6	117,936	115,341	–	–
Right-of-use assets	7	82,300	28,349	–	–
Intangible assets	8	50,795	50,344	–	–
Investment in subsidiaries		–	–	162,899	177,557
Equity-accounted investees	9	60,063	59,092	–	–
Deferred tax assets		399	467	–	–
Non-current assets		311,493	253,593	162,899	177,557
Loans receivables	10	1,982	1,932	–	–
Trade and other receivables	11	5,837	6,442	–	50,977
Prepayment and other assets	12	1,092	4,426	–	–
Cash and cash equivalents	13	22,782	22,517	102	1,569
Current assets		31,693	35,317	102	52,546
Total assets		343,186	288,910	163,001	230,103
Equity					
Equity contribution	14	125,497	126,623	125,497	126,623
Accumulated losses		(18,032)	(16,211)	(4,399)	(3,716)
Reserves	15	1,100	(54)	–	1,174
Equity attributable to owner of the Company		108,565	110,358	121,098	124,081
Non-controlling interests ('NCI')		4,900	4,500	–	–
Total equity		113,465	114,858	121,098	124,081
Liabilities					
Asset retirement obligation		893	861	–	–
Derivative liabilities	18	357	–	–	–
Loans and borrowings	16	208,076	154,701	40,883	105,494
Non-current liabilities		209,326	155,562	40,883	105,494
Loans and borrowings	16	6,672	2,333	879	406
Trade and other payables	17	13,463	16,157	141	122
Current tax liabilities		260	–	–	–
Current liabilities		20,395	18,490	1,020	528
Total liabilities		229,721	174,052	41,903	106,022
Total equity and liabilities		343,186	288,910	163,001	230,103

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2020

	Note	Group		Company	
		Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Revenue	19	7,467	1,329	–	–
Other income		19	1,027	–	–
Operating costs	20	(1,263)	(3,104)	(42)	(31)
Shared services costs	21	(2,404)	(821)	–	–
Management fee		(69)	–	–	–
Development costs	22	(595)	(761)	–	–
Depreciation expense	6&7	(2,349)	(438)	–	–
Amortisation expense	8	(463)	(268)	–	–
		(7,143)	(5,392)	(42)	(31)
Finance income	23	125	162	17	19
Finance costs	23	(1,532)	(2,189)	(486)	(1,865)
Change in fair value of financial instruments at FVTPL	24	(387)	–	–	–
Net foreign exchange gains/(loss)		570	(438)	(172)	–
Net finance costs		(1,224)	(2,465)	(641)	(1,846)
Share of net profit of equity-accounted investees, net of tax	9	(86)	219	–	–
Loss before tax	25	(967)	(5,282)	(683)	(1,877)
Tax expense		(454)	(144)	–	–
Loss for the period		(1,421)	(5,426)	(683)	(1,877)
Loss attributable to:					
Owner of the Company		(1,821)	(5,426)	(683)	(1,877)
Non-controlling interests		400	–*	–	–
		(1,421)	(5,426)	(683)	(1,877)

* Less than US\$1,000

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2020 (cont'd)

		Group		Company	
	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences		1,271	(540)	–	–
Equity-accounted investees – share of OCI	9	1,057	1,214	–	–
Other comprehensive income for the period		2,328	674	–	–
Total comprehensive income/(loss) for the period		907	(4,752)	(683)	(1,877)
Total comprehensive income/(loss) attributable to:					
Owner of the Company		507	(4,752)	(683)	(1,877)
Non-controlling interests		400	–*	–	–
		907	(4,752)	(683)	(1,877)

* Less than US\$1,000

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

Condensed consolidated statement of changes in equity
For the six months ended 30 June 2020

Attributable to owner of the Company					
Group	Note	Equity contribution	Accumulated losses	Reserves	Total
		US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2020		126,623	(16,211)	(54)	110,358
					4,500
					114,858
Total comprehensive income for the period					
(Loss)/income for the period					
		-	(1,821)	-	(1,821)
					400
					(1,421)
Other comprehensive income					
Foreign currency translation differences					
		-	-	1,271	1,271
Equity-accounted investees – share of OCI					
		-	-	1,057	1,057
Total comprehensive (loss)/income for the period					
		-	(1,821)	2,328	507
					400
					907
Transactions with owner, recognised directly in equity					
Contributions by and distributions to owners					
14		1,174	-	-	1,174
					-
15		-	-	(1,174)	(1,174)
		(2,300)	-	-	(2,300)
Total contributions by and distributions to owners					
		(1,126)	-	(1,174)	(2,300)
					-
At 30 June 2020					
		125,497	(18,032)	1,100	108,565
					4,900
					113,465

* Less than US\$1,000

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

Condensed consolidated statement of changes in equity (cont'd)
For the six months ended 30 June 2020

	Attributable to owner of the Company				Non- controlling interest US\$'000	Total equity US\$'000
	Equity contribution US\$'000	Accumulated losses US\$'000	Reserves US\$'000	Total US\$'000		
At 1 January 2019	126,623	(9,935)	(3,315)	113,373	3,600	116,973
Total comprehensive income for the period	–	(5,426)	–	(5,426)	–*	(5,426)
Loss for the period	–	–	–	–	–	–
Other comprehensive income	–	–	(540)	(540)	–*	(540)
Foreign currency translation differences	–	–	1,214	1,214	–*	1,214
Equity-accounted investees – share of OCI	–	–	–	–	–*	–
Total comprehensive (loss)/income for the period	–	(5,426)	674	(4,752)	–*	(4,752)
At 30 June 2019	126,623	(15,361)	(2,641)	108,621	3,600	112,221

* Less than US\$1,000

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

Condensed company statement of changes in equity
For the six months ended 30 June 2020

<u>Company</u>	Note	Equity contribution US\$'000	Accumulated profits/ (losses) US\$'000	Reserves US\$'000	Total US\$'000
At 1 January 2020		126,623	(3,716)	1,174	124,081
Total comprehensive loss for the period					
Loss for the period		–	(683)	–	(683)
Transaction with owner, recognised directly in equity					
Contributions by and distributions to owners					
Issue of shares	14	1,174	–	–	1,174
Conversion of advance from owners	14	–	–	(1,174)	(1,174)
Repurchase of own shares		(2,300)	–	–	(2,300)
Total contributions by and distributions to owner/Total transactions with owners		(1,126)	–	(1,174)	(2,300)
At 30 June 2020		125,497	(4,399)	–	121,098
At 1 January 2019		126,623	(1,310)	1,174	126,487
Total comprehensive income for the period					
Loss for the period		–	(1,877)	–	(1,877)
At 30 June 2019		126,623	(3,187)	1,174	124,610

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

Condensed consolidated statement of cash flows
For the six months ended 30 June 2020

Group	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Cash flows from operating activities			
Loss before tax		(967)	(5,282)
Adjustments for:			
Depreciation expense	6&7	2,349	438
Amortisation expense	8	463	268
Finance costs	23	1,532	2,189
Finance income	23	(125)	(162)
Change in fair value of financial instruments at FVTPL		387	–
Foreign exchange differences		2,374	–
Share of net profit of equity-accounted investees, net of tax	9	86	(219)
		6,099	(2,768)
Changes in:			
- Trade and other receivables		4,031	(683)
- Prepayments and other assets		(181)	(5,856)
- Trade and other payables		(2,550)	2,062
Cash generated from/(used in) operating activities		7,399	(7,245)
Tax paid		–	(17)
Net cash generated from/(used in) operating activities		7,399	(7,262)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(3,081)	(57,616)
Interest received		67	180
Restricted bank deposit for projects		(2,758)	35
Proceeds from maturity of fixed deposit		10,400	–
Fixed deposits pledged for bank facility		(2,012)	–
Net cash generated from/(used in) investing activities		2,616	(57,401)
Cash flows from financing activities			
Proceeds from drawdown of projects finance debts		66,456	3,546
Proceeds from drawdown of loans from related parties		2,012	53,690
Repayment of loans from a related party		(67,425)	–
Repayment of project finance debts		(676)	(309)
Repayment of leases		(745)	(756)
Repurchase of own shares		(2,300)	–
Interest paid for:			
- Project finance debts		(646)	(255)
- Other finance cost		(1,546)	(3)
Net cash (used in)/generated from financing activities		(4,870)	55,913
Net increase/(decrease) in cash and cash equivalents		5,145	(8,750)
Cash and cash equivalents at 1 January		11,792	26,499
Effect of exchange rate fluctuations on cash held		750	(175)
Cash and cash equivalents at 30 June		17,687	17,574

Significant non-cash transaction

The repayment of the Company’s intragroup loan due to Vena Energy Holdings Ltd (“VEHL”) amounting to US\$ 29,226,413 (2019: US\$ Nil) was made on behalf of the Company by Vena Energy Capital Pte Ltd (“VECPL”) via an intragroup loan from VECPL during the period.

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

Condensed company statement of cash flows
For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
<u>Company</u>			
Cash flows from operating activities			
Loss before tax		(683)	(1,877)
Adjustments for:			
Finance costs	23	486	1,865
Finance income	23	(17)	(19)
Foreign exchange loss		164	–
		(50)	(31)
Changes in:			
- Trade and other receivables		750	(62,475)
- Trade and other payables		17	21
Net cash generated from/(used in) operating activities		717	(62,485)
Cash flows from investing activities			
Subscription of additional shares in a subsidiary		(2,027)	–
Reduction of interest in subsidiary		67,885	–
Interest received		18	19
Net cash generated from investing activities		65,876	19
Cash flows from financing activities			
Repurchase of own shares		(2,300)	–
Proceeds from drawdown of loans from related parties		2,012	53,691
Repayment of loans from a related party		(67,425)	–
Interest paid for other finance cost		(347)	–
Net cash (used in)/generated from financing activities		(68,060)	53,691
Net decrease in cash and cash equivalents		(1,467)	(8,775)
Cash and cash equivalents at 1 January		1,569	8,835
Cash and cash equivalents at 30 June		102	60

Significant non-cash transaction

During the financial year, the Company entered into the following non-cash transactions:

- a) The repayment of the Company's intragroup loan due to Vena Energy Holdings Ltd ("VEHL") amounting to US\$ 29,226,413 (2019: US\$ Nil) was made on behalf of the Company by Vena Energy Capital Pte Ltd ("VECPL") via an intragroup loan from VECPL during the period.
- b) The Company's equity injection in its subsidiary, Vena Energy (Taiwan) Ltd was made on behalf by VEHL via an intragroup loan to the Company amounting to US\$972,232.
- c) Extinguished amount due from its wholly owned subsidiary, Vena Energy (Taiwan) Ltd, amounting US\$ 50,227,489 by of issuance of shares.

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

Notes to the condensed interim financial statements

1 Domicile and activities

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

The condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

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

The immediate holding company and ultimate controlling company of the Group as at 30 June 2020 are GIP Zenith (Taiwan) Ltd and Global Infrastructure Investors III, LLC respectively of which the former is incorporated in the Cayman Islands and the latter is incorporated in Delaware, U.S.A.

2 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the last annual financial statements as at and for the year ended 31 December 2019. They do not include all of the information required for a complete set of International Financial Reporting Standards ('IFRS') financial statements. However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

3 Seasonality in operations

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

4 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period as that of the audited financial statements for the year ended 31 December 2019

Amendments

The Group has applied the following amendments to and interpretations of IFRS for the first time for the period beginning on 1 January 2020:

- Definition of a Business (amendments to IFRS 3 *Business Combinations*)
- Amendments to References to Conceptual framework in IFRS Standards
- Definition of Material (amendments to IAS 1 Presentation of Financial Statements and to IAS 8 Changes in Accounting policies, Changes in Accounting Estimates and Errors)
- Interest Rate Benchmark Reform (amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)

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

5 Use of judgements and estimates

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

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

Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Measurement of fair values

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

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

Level 1: 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).

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

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

Further information about the assumptions made in measuring fair values is included in Note 26 Financial instruments.

6 Property, plant and equipment

Group Cost	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Computers, fittings and fixture and office equipment US\$'000	Assets under construction US\$'000	Total US\$'000
At 1 January 2019	39	12,873	43	23,749	36,704
Additions	11	3,604	101	74,961	78,677
Reclassification	–	90,253	–	(90,253)	–
Effect of exchange rate changes	1	2,993	1	(337)	2,658
At 31 December 2019	51	109,723	145	8,120	118,039
Additions	–	95	11	2,975	3,081
Effect of exchange rate changes	1	1,436	3	191	1,631
At 30 June 2020	52	111,254	159	11,286	122,751
Accumulated depreciation					
At 1 January 2019	18	518	5	–	541
Depreciation charge for the period	10	2,080	16	–	2,106
Effect of exchange rate changes	1	49	1	–	51
At 31 December 2019	29	2,647	22	–	2,698
Depreciation charge for the period	3	2,014	17	–	2,034
Effect of exchange rate changes	1	81	1	–	83
At 30 June 2020	33	4,742	40	–	4,815
Carrying amounts					
At 1 January 2019	21	12,355	38	23,749	36,163
At 31 December 2019	22	107,076	123	8,120	115,341
At 30 June 2020	19	106,512	119	11,286	117,936

At 30 June 2020, electric generator equipment for the Group with carrying amounts of US\$106.5 million (2019: \$26.4 million) are pledged as security to secure bank loans.

7 Right-of-use assets

Group Cost	Land US\$'000
At 1 January 2019	–
Recognition of right-of-use assets on initial application of IFRS 16	28,908
Effect of exchange rate changes	513
At 31 December 2019	29,421
Additions	53,604
Effect of exchange rate changes	1,370
At 30 June 2020	84,395

7 Right-of-use assets (cont'd)

	Land US\$'000
Group	
Accumulated depreciation	
At 1 January 2019	–
Depreciation	349
Reclassification	700
Effect of exchange rate changes	23
At 31 December 2019	1,072
Depreciation	315
Reclassification	677
Effect of exchange rate changes	31
At 30 June 2020	2,095
Carrying amounts	
Initial application of IFRS 16 at 1 January 2019	–
At 31 December 2019	28,349
At 30 June 2020	82,300

8 Intangible assets

	Goodwill US\$'000	Project-related agreements & licences US\$'000	Total US\$'000
Group			
Cost			
At 1 January 2019	32,372	18,226	50,598
Effect of exchange rate changes	475	267	742
At 31 December 2019	32,847	18,493	51,340
Effect of exchange rate changes	601	339	940
At 30 June 2020	33,448	18,832	52,280
Accumulated amortisation			
At 1 January 2019	–	267	267
Amortisation expense	–	708	708
Effect of exchange rate changes	–	21	21
At 31 December 2019	–	996	996
Amortisation expense	–	463	463
Effect of exchange rate changes	–	26	26
At 30 June 2020	–	1,485	1,485
Carrying amounts			
At 1 January 2019	32,372	17,959	50,331
At 31 December 2019	32,847	17,497	50,344
At 30 June 2020	33,448	17,347	50,795

Amortisation of the intangible assets will begin on the commercial operation date of the renewable asset as defined in the respective power purchase agreements.

9 Equity-accounted investees

The Group has a material associate, RA Solar Energy Holdings Inc. and its subsidiaries ('RSEHI'), and an immaterial associate which are equity accounted. Mirae Asia Energy Corpis wholly owned by RSEHI. The Group has one out of five representation in the board of directors of RSEHI. The Group has 99.91% economic interest in RSEHI which consist of 40% of voting shares and 99.91% of redeemable preference shares ('RPS'). RPS are non-convertible, non-voting and are redeemable at the option of RSEHI at par value.

The Group has an effective economic interest of 99.91% in project Garcia through its holdings in RSEHI and the immaterial associate.

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

	RSEHI Group	
	30 June 2020 US\$'000	31 December 2019 US\$'000
<u>Statement of financial position</u>		
Property, plant and equipment	27,760	28,073
Equity-accounted investees	4,433	4,433
Other non-current receivables	199	184
Non-current prepayment and other assets	58	23
Right-of-use assets	17	31
Non-current assets	32,467	32,744
Trade and other receivables	2,004	1,806
Prepayment and other assets	50	29
Cash and cash equivalents	1,828	1,524
Current assets	3,882	3,359
Total assets	36,349	36,103
Loans and borrowings	16,498	18,008
Asset retirement obligation	136	134
Deferred tax liabilities	45	44
Non-current liabilities	16,679	18,186
Loans and borrowings	6,347	6,018
Trade and other payables	724	1,034
Current tax liabilities	–	9
Current liabilities	7,071	7,061
Total liabilities	23,750	25,247
Net assets	12,599	10,856
<u>Statement of comprehensive income</u>		
Sale of energy	3,191	5,501
Other income	155	56
	3,346	5,557
Operating costs	(518)	(1,655)
Shared services costs	(246)	(271)
Depreciation expense	(760)	(1,469)
	1,822	2,162

9 Equity-accounted investees (cont'd)

	RSEHI Group	
	30 June 2020 US\$'000	31 December 2019 US\$'000
<u>Statement of comprehensive income (cont'd)</u>		
Finance income	59	7
Finance costs	(601)	(1,186)
Net foreign exchange gain	465	1,069
Net finance costs	(77)	(110)
Profit before tax	1,745	2,052
Tax expense	(4)	(42)
Profit for the period/year	1,741	2,010
Total comprehensive income	1,741	2,010

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

	RSEHI Group US\$'000	Immaterial associate US\$'000	Total US\$'000
<u>30 June 2020</u>			
Group's interest in net assets of associates at the beginning of the period			
Share of profit of associates	1,408	—	1,408
Amortisation expenses of intangibles allocated to associates	(1,494)	—	(1,494)
Foreign currency translation difference on intangibles allocated to associates	739	—	739
Equity-accounted investees – share of OCI	318	—	318
	971	—	971
Carrying amount of interest in associates at beginning of the period	59,092	—	59,092
Carrying amount of interest in associates at end of the period	60,063	—	60,063
<u>31 December 2019</u>			
Group's interest in net assets of associates at the beginning of the year			
Share of profit/(loss) of associates	1,990	(11)	1,979
Amortisation expenses of intangibles allocated to associates	(2,930)	—	(2,930)
Foreign currency translation difference on intangibles allocated to associates	1,586	—	1,586
	646	—	635
Group's acquisition of share capital during the year	45	—	45
Carrying amount of interest in associates at beginning of the year	58,401	11	58,412
Carrying amount of interest in associates at end of the year	59,092	—	59,092

10 Loans receivables

	Group	
	30 June 2020 US\$'000	31 December 2019 US\$'000
Loan receivable from equity-accounted investee	1,650	1,650
Interest receivables from equity-accounted investee	332	282
	1,982	1,932

Loan receivable from an equity-accounted investee is denominated in US\$, unsecured and repayable on demand. The loan bears an interest rate of 7% (2019:7%) per annum.

Loan and interest receivables from equity-accounted investee are overdue by more than 9 months. These receivable balances are not impaired based on management's assessment of the counterparties' repayment capacity.

11 Trade and other receivables

	Group		Company	
Note	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Trade receivables	–	43	–	–
Contract assets	1,485	5,017	–	–
Amounts due from:				
- Subsidiary (a)	–	–	–	50,977
- Other third parties	253	212	–	–
VAT receivable	513	1,170	–	–
Deposits and advance	3,586	–	–	–
	5,837	6,442	–	50,977

(a) The amounts due from a subsidiary is non-trade, unsecured, non-interest bearing and repayable on demand. As at 30 June 2020, the movement of amount due from subsidiaries are as follows:

	30 June 2020 US\$'000	31 December 2019 US\$'000
Balance as at 1 Jan	50,977	17,560
Capitalised to investment in subsidiary	(50,227)	(28,231)
Advances to subsidiary	–	64,708
Repayment of advances from subsidiary	–	(3,060)
Distribution from subsidiary	(750)	–
Balance as at 30 Jun and 31 Dec	–	50,977

12 Prepayments and other assets

	Group	
	30 June 2020 US\$'000	31 December 2019 US\$'000
Deposits and advance	–	3,515
Other assets	416	341
Prepaid expenses	676	570
	1,092	4,426

13 Cash and cash equivalents

	Group		Company	
	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Bank balances	20,770	12,117	102	1,569
Short term deposit	2,012	10,400	–	–
Cash and cash equivalents in the statements of financial position	22,782	22,517	102	1,569
Restricted bank balances and deposits	(a) (5,095)	(10,725)	–	–
Cash and cash equivalents in the statements of cash flows	17,687	11,792	102	1,569

(a) As at 30 June 2020, the Group's cash and cash equivalents of US\$3.1 million (2019: US\$0.3 million) were held under debt service reserve accounts which represents a reserve account used for debt service of project finance debt when cash flow available for debt services is inadequate to service the project finance debt and US\$2 million (2019: US\$10.4 million) fixed deposit pledged in relation to banker's guarantees.

14 Equity contribution

	30 June 2020 US\$'000	31 December 2019 US\$'000
Group and Company Equity contribution		
Share capital at US\$0.01 per share (US\$)	1,254	1,266
Share premium (US\$)	124,243	125,357
	125,497	126,623

		Group and Company	
		30 June 2020 No. of shares (‘000)	31 December 2019 No. of shares (‘000)
Issued and fully paid			
At beginning of period		126,623	126,623
Issued during the year	(b)	1,174	–
Repurchase of shares	(a)	(2,300)	–
At 31 December		125,497	126,623

- (a) In March 2020, the Company entered into share repurchase agreement with its shareholder, GIP Zenith (Taiwan) Ltd to repurchase 2,300,000 shares of US\$0.01 par value and share premium of US\$2,297,700 for a consideration of US\$2,300,000. The shares were issued and fully paid.
- (b) During the period, an advance from immediate holding company of US\$1,174,221 to the Company has been converted into 1,174,221 shares at a par value of US\$0.01 and share premium of US\$1,162,479. The shares were issued and fully paid.

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

15 Capital reserve

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

16 Loans and borrowings

	Group		Company	
	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current				
Project finance debts	84,103	20,925	–	–
Loan from related parties	11,264	105,329	11,264	105,494
Loan from bond issuer	29,619	–	29,619	–
Lease liabilities	83,090	28,447	–	–
	208,076	154,701	40,883	105,494
Current				
Project finance debts	4,949	1,344	–	–
Interest payables on:				
- Project finance debts	198	46	–	–
- Loan from related parties	737	406	737	406
- Loan from bond issuer	142	–	142	–
Lease liabilities	646	537	–	–
	6,672	2,333	879	406
	214,748	157,034	41,762	105,900

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

	Group		Company	
	30 June 2020 US\$'000	31 December 2019 US\$'000	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current				
Project finance debts	85,309	20,925	–	–
Loan from related parties	11,264	105,494	11,264	105,494
Loan from bond issuer	29,943	–	29,943	–
	126,516	126,419	41,207	105,494
Current				
Project finance debts	5,107	1,358	–	–
	5,107	1,358	–	–
	131,623	127,777	41,207	105,494

17 Trade and other payables

	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Amounts due to:				
- Related parties	1,571	1,159	81	83
- Other third party	625	1,768	—	—
Payable to EPC contractors	1,243	4,249	—	—
Shared services fees payables	8,355	6,805	—	—
Other tax payables	425	375	—	—
Accrued staff costs	27	5	—	—
Accrued operating expenses	1,217	1,796	60	39
	13,463	16,157	141	122

The amounts due to related parties are non-trade, unsecured, non-interest bearing and repayable on demand.

18 Derivative liabilities

	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Interest rate swaps	357	—	—	—
	357	—	—	—

19 Revenue

The Group's revenue comprises:

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Sale of energy	7,467	1,329	—	—
	7,467	1,329	—	—

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Sale of Energy	
Nature of goods or services	Sale of renewable energy
When revenue is recognised	Revenue from sale of electricity is recognised in profit or loss when the electricity generated is dispatched to the customer. Revenue is determined based on the units of sales delivered at the applicable tariff rates.
Payment terms	15 to 30 days

19 Revenue (cont'd)

Disaggregation of revenue from contracts with customers

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

	Group	
	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Taiwan Solar	7,467	1,329
	<u>7,467</u>	<u>1,329</u>

Contract balances

Please refer to note 11 for contract assets primarily relating to the Group's right to consideration for sale of renewable energy but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

20 Operating costs

	Group	
	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Operations and maintenance costs	677	2,287
Utilities and transmission costs	85	6
Directors fee	10	3
Professional fees	155	680
IT expenses	2	4
Insurance	126	43
Occupancy cost	7	25
Marketing and promotion costs	–	16
Travel and entertainment expenses	13	8
Other general and administrative costs	188	32
	<u>1,263</u>	<u>3,104</u>

Staff costs of US\$0.1 million (2019: US\$0.03 million) is included within operations and maintenance costs.

21 Shared services costs

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

22 Development costs

	Group	
	Six months ended	Six months ended
	30 June 2020	30 June 2019
	US\$'000	US\$'000
Other employee benefits	–	7
Professional fees	90	408
Travel and entertainment expenses	119	202
Occupancy costs	68	79
IT expenses	8	6
Marketing and promotion costs	11	49
Other general and administrative costs	299	10
	595	761

23 Finance income and finance costs

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Finance income				
Interest income from:				
- Short term deposit	45	136	–	–
- Loan receivables from equity-accounted investee	58	–	–	–
- Bank balances	22	26	17	19
Total finance income	125	162	17	19

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Finance costs				
Interest expense on:				
- Loan from related parties	(453)	(1,865)	(486)	(1,865)
- Project finance debts	(778)	(274)	–	–
- Lease liabilities	(187)	(40)	–	–
- Other finance costs	(114)	(10)	–	–
Total finance costs	(1,532)	(2,189)	(486)	(1,865)

24 Change in fair value of financial instrument at FVTPL

	Group		Company	
	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Gain on change in fair value:				
- Interest swaps	387	—	—	—
	387	—	—	—

25 Loss before tax

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

	Group	
	Six months ended	Six months ended
	30 June 2020	30 June 2019
	US\$'000	US\$'000
Staff costs		
Salaries	97	7
Bonus – Current year	34	4
– Overprovision in prior period	—	(40)
Employee insurance	—	6
Other staff benefits	50	—
	181	(23)

26 Fair value of financial instruments

Fair value measurement

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

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

26 Fair value of financial instruments (cont'd)

Fair value measurement (cont'd)

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

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

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Interest rate swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.

PFinancial instruments not measured at fair value

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

26 Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
Note	Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
									US\$'000
Group									
30 June 2020									
10	-	1,982	-	1,982					
11	-	5,324	-	5,324					
	-	22,782	-	22,782					
	-	30,088	-	30,088					
16	-	-	(214,748)	(214,748)	-	(214,748)	-	(214,748)	
18	(357)	-	-	(357)	-	(357)	-	(357)	
17	-	(13,038)	-	(13,038)					
	(357)	(13,038)	(214,748)	(228,143)					
31 December 2019									
10	-	1,932	-	1,932					
11	-	5,272	-	5,272					
	-	22,517	-	22,517					
	-	29,721	-	29,721					
16	-	-	(157,213)	(157,213)	-	(157,213)	-	(157,213)	
17	-	-	(15,782)	(15,782)					
	-	-	(172,995)	(172,995)					

* Excludes non-financial assets and liabilities

27 **Related parties**

The Group has determined Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco, II Ltd) as a related party in accordance with IAS 24.

Related parties transactions

During the period, other than those disclosed elsewhere in the financial statements the following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial period:

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Shared services costs	2,404	1,488
Management fee	69	–
Interest cost	476	621

28 **Impact of COVID-19**

The Group continues to closely monitor developments related to the global economic shutdown in response to the ongoing coronavirus (“COVID-19”) pandemic. During the first six months of 2020, the Group has not experienced any material financial, operational, construction or liquidity impacts related to COVID-19.

29 **Standards issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

30 **Subsequent events**

On 3rd June 2020, the Group entered into a capital contribution transfer agreement with Hui Xu Energy Ltd (“Seller”) to purchase the shares of Hui Xu Energy Ltd. for a purchase price of NT\$240 million (US\$71 million). As at 30 June 2020, NT\$9.6 million (US\$0.3 million) which represent 4% of total purchase price was paid to the seller and the transfer of shares has been completed on 24 August 2020. The remaining payments are subjected to fulfilment of certain conditions precedents.



**Zenith Japan Holdings Trust
and its subsidiaries**

Condensed Interim Financial Statements
For the six months ended 30 June 2020

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

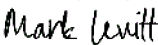
Statement by Directors of the Trustee

In the opinion of the directors of Zenith Japan Holdings Ltd (the ‘Trustee’):

- (a) the accompanying condensed interim financial statements set out on pages FS1 to FS23 comprising the condensed consolidated statement of financial position of the Group as at 30 June 2020, the condensed consolidated statement of comprehensive income, changes in unitholders’ fund and cash flows for the Group for the period ended 30 June 2020, and notes to the condensed interim financial statements, including a summary of significant accounting policies as set out on pages FS1 to FS23, are drawn up so as to present fairly, in all material respects, the condensed consolidated statement of financial position of the Group as at 30 June 2020, and of its condensed consolidated statement of comprehensive income, changes in unitholders’ fund and cash flows for the Group for the period ended on that date in accordance with the International Financial Reporting Standards (‘IFRS’); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors of the Trustee,

DocuSigned by:

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Director

9 September 2020



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Independent auditors’ report

The Trustee
Zenith Japan Holdings Ltd

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed Interim Financial Statements of Zenith Japan Holdings Trust (the ‘Trust’) and its subsidiaries (collectively the ‘Group’) which comprise the condensed statement of financial position of the Group as at 30 June 2020, the condensed consolidated statement of comprehensive income, changes in unitholders’ fund and cash flows for the Group for the six months period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this Condensed Interim Financial Statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements is not presented fairly, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Restriction on distribution and use

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


KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

9 September 2020

Condensed consolidated statement of financial position
As at 30 June 2020

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Assets			
Property, plant and equipment	6	825,875	675,634
Right-of-use assets	7	142,464	109,241
Intangible assets	8	1,218,751	1,174,314
Equity-accounted investees	9	45,949	28,151
Prepayment and other assets	10	8,479	6,929
Trade and other receivables	11	2,032	2,791
Non-current assets		<u>2,243,550</u>	<u>1,997,060</u>
 Prepayment and other assets	10	5,160	3,984
Trade and other receivables	11	36,572	12,528
Cash and cash equivalents	12	250,632	423,326
Current assets		<u>292,364</u>	<u>439,838</u>
 Total assets		<u><u>2,535,914</u></u>	<u><u>2,436,898</u></u>
 Unitholders' funds			
Units in issue	13	1,362,182	1,416,051
Accumulated profits		45,243	48,673
Advance from unitholder	14	—	13,131
Reserves		81,281	42,470
Equity attributable to unitholder of the Trust		<u>1,488,706</u>	<u>1,520,325</u>
Non-controlling interests ('NCI')		13,432	11,859
Total unitholders' fund		<u>1,502,138</u>	<u>1,532,184</u>
 Liabilities			
Loans and borrowings	15	860,702	821,577
Derivative liabilities	16	10,537	6,720
Asset retirement obligation		25,136	16,778
Non-current liabilities		<u>896,375</u>	<u>845,075</u>
 Loans and borrowings	15	53,700	5,447
Trade and other payables	17	83,671	53,718
Current tax liabilities		30	474
Current liabilities		<u>137,401</u>	<u>59,639</u>
 Total liabilities		<u>1,033,776</u>	<u>904,714</u>
 Total equity and liabilities		<u><u>2,535,914</u></u>	<u><u>2,436,898</u></u>

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Revenue	18	51,379	54,332
Other income	18	816	1,607
Operating costs	19	(7,361)	(8,413)
Asset management fees	20	(2,159)	(2,530)
Development costs	21	(167)	(659)
Depreciation expense	6,7	(12,859)	(13,867)
Amortisation expense	8	(11,199)	(11,516)
		<u>18,450</u>	<u>18,954</u>
Finance income	22	1	1,085
Finance costs	22	(4,417)	(12,845)
Net foreign exchange loss		(6,008)	(500)
Change in fair value of financial derivatives		(3,787)	(8,795)
		<u>(14,211)</u>	<u>(21,055)</u>
Impairment loss on trade and other receivables	11	(40)	–
Loss on write off of plant, property and equipment		(94)	(144)
Acquisition-related cost		(5,938)	–
Gain from transfer of TK interests		–	46,564
Share of net (loss) of equity-accounted investees, net of tax	9	(735)	–
(Loss)/profit before tax		<u>(2,568)</u>	<u>44,319</u>
Tax expense		(793)	–
(Loss)/profit for the period		<u>(3,361)</u>	<u>44,319</u>
(Loss)/profit attributable to:			
Unitholder of the Trust		(3,430)	44,144
Non-controlling interests		69	175
		<u>(3,361)</u>	<u>44,319</u>
Other comprehensive income ('OCI')			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		38,765	45,885
Equity-accounted investees – share of OCI	9	377	–
Foreign currency translation differences on transfer of TK interests reclassified to profit or loss		–	(2,451)
Other comprehensive income for the period		<u>39,142</u>	<u>43,434</u>
Total comprehensive income for the period		<u>35,781</u>	<u>87,753</u>
Total comprehensive income attributable to:			
Unitholders of the Trust		35,381	87,214
Non-controlling interests		400	539
		<u>35,781</u>	<u>87,753</u>

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

Condensed consolidated statement of changes in unitholders' fund
For the six months ended 30 June 2020

Attributable to unitholder of the Trust					
Units in issue US\$'000	Unitholders' funds US\$'000	Accumulated		Translation reserves US\$'000	Non-controlling interest US\$'000
		profits/(losses) US\$'000	Total US\$'000		Total US\$'000
1,416,051	13,131	48,673	1,520,325	42,470	11,859
					1,532,184
-	-	(3,430)	(3,430)	-	69
-	-	-	38,434	38,434	331
-	-	-	377	377	-
-	-	(3,430)	38,811	38,811	400
					35,781
13,131	-	-	-	-	-
(67,000)	-	-	-	-	-
-	(13,131)	-	-	-	-
(53,869)	(13,131)	-	-	-	-
-	-	-	-	-	1,173
-	-	-	-	-	1,173
(53,869)	(13,131)	-	-	-	1,173
1,362,182	-	45,243	81,281	1,488,706	13,432
					1,502,138

At 1 January 2020

Total comprehensive income for the period
(Loss)/profit for the period

Other comprehensive income

Foreign currency translation differences
Equity-accounted investees – share of OCI

Total comprehensive income for the period

Transactions with unitholder, recognised directly in equity

Contributions by unitholder

Issue of units
Redemption of units
Conversion of advance from unitholder

Total contributions by unitholder

Changes in ownership interests in subsidiaries

Acquisition of subsidiaries with non-controlling interests

Total changes in ownership interests in subsidiaries

Total transactions with unitholder

At 30 June 2020

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

Condensed consolidated statement of changes in unitholders' fund
For the six months ended 30 June 2019

Attributable to unitholder of the Trust						
		Accumulated		Non-controlling		
Units in issue US\$'000	Unitholders' funds US\$'000	profit/ (losses) US\$'000	Translation reserves US\$'000	Total US\$'000	interest US\$'000	Total US\$'000
1,416,051	13,131	(8,838)	45,538	1,465,882	15,075	1,480,957
–	–	(17,376)	877	(16,499)	65	(16,434)
1,416,051	13,131	(26,214)	46,415	1,449,383	15,140	1,464,523
–	–	44,144	–	44,144	175	44,319
–	–	–	43,070	43,070	364	43,434
–	–	44,144	43,070	87,214	539	87,753
–	–	–	–	–	(1,328)	(1,328)
–	–	–	–	–	(1,328)	(1,328)
–	–	–	–	–	(1,328)	(1,328)
1,416,051	13,131	17,930	89,485	1,536,597	14,351	1,550,948

At 1 January 2019
Adjustment on initial application of IFRS 16 (net of tax)
Adjusted balance at 1 January 2019

Total comprehensive income for the period
Profit for the period

Other comprehensive income
Foreign currency translation differences

Total comprehensive income for the period

Changes in ownership interests in subsidiaries
Transfer of TK interests with non-controlling interest
Total changes in ownership interests in subsidiaries
Total transactions with unitholder

At 30 June 2019

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

Condensed consolidated statement of cash flows
For the six months ended 30 June 2020

	Note	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Cash flows from operating activities			
(Loss)/profit before tax		(2,568)	44,319
Adjustments for:			
Depreciation expense	6,7	12,859	13,867
Amortisation expense	8	11,199	11,516
Loss on write off of property, plant and equipment		94	144
Net changes in fair value of financial derivatives		3,787	8,795
Impairment loss on trade and other receivables	11	40	–
Finance income	22	(1)	(1,085)
Finance costs	22	4,417	12,845
Share of loss of equity-accounted investees	9	735	–
Gain on transfer of TK interests		–	(46,564)
Net foreign exchange loss		10,171	500
		40,733	44,337
Changes in:			
- Trade and other receivables		(8,758)	20,655
- Prepayments and other assets		13,205	14,053
- Trade and other payables		1,087	(16,434)
- Provisions and employee benefits		–	71
Cash generated from operating activities		46,267	62,682
Tax paid		(1,391)	–
Net cash generated from operating activities		44,876	62,682
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	24	(35,901)	–
Investment in equity-accounted investees		(6,500)	–
Transfer of TK interests, net of cash disposed		–	109,505
Purchase of property, plant and equipment		(96,333)	(81,151)
Disposal of property, plant and equipment		305	–
Purchase of intangible assets		(4,802)	–
Interest received		–	1,085
Net cash (used in)/generated from investing activities		(143,231)	29,439
Cash flows from financing activities			
Redemption of units from unit holder		(67,000)	–
Equity contribution from NCI		1,451	–
Proceeds from drawdown of loans and borrowings:			
- Project finance debt		209,094	11,276
- Loan from related parties		248,411	153,942
- Bond issuer		126,331	–
Repayment of loans and borrowings:			
- Project finance debt		(43,891)	(2,358)
- Loan from related parties		(542,826)	(74,269)
Transaction costs related to loans and borrowings		(4,917)	(1,243)
Interest paid		(2,885)	(3,313)
Deposits pledged		317,336	(46,964)
Net cash generated from financing activities		241,104	37,071
Net increase in cash and cash equivalents		142,749	129,192
Cash and cash equivalents at 1 January		97,269	127,712
Effect of exchange rate fluctuations on cash held		1,893	2,964
Cash and cash equivalents at 30 June	12	241,911	259,868

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

Notes to the condensed interim financial statements

1 Domicile and activities

(i) Trust

Zenith Japan Holdings Trust (the ‘**Trust**’) is constituted in the island of Guernsey under the trust deed dated 18 October 2017 and has the registered office at 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St Peter Port, GY1 1AR, Guernsey.

The condensed interim financial statement of the Group as at and for the six months ended 30 June 2020 comprise the Trust and its subsidiaries (together referred to as the ‘Group’ and individually as ‘Group entities’).

The principal activity of the Group is to invest in renewable energy assets via Tokumei Kumiai (‘TK’) agreements in Japan.

Zenith Japan Ltd in its capacity as Trustee of Zenith Trust, is the sole unitholder in the Trust.

(ii) Trustee

Zenith Japan Holdings Ltd is the trustee (the ‘**Trustee**’) of Zenith Japan Holdings Trust. The Trustee shall manage and administer the Trust and the Trust Fund in accordance with the trust instrument and shall exercise all powers, duties and discretions exercisable under the Trust or conferred by law.

(iii) Asset Management Agreement

Nippon Renewable Energy K.K. and Nippon Wind Energy K.K. (each, the ‘**Asset Manager**’) enters into the asset management agreements with the Group entities to manage the asset and business of the Group entities and in return to receive the asset management fees.

(iv) Operations & Maintenance (‘O&M’) Agreement

NRE Operations K.K. (the ‘**O&M Provider**’) enters into the O&M agreements with the Group entities to provide the relevant operation and maintenance services to the Group entities.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the last annual financial statements as at and for the year ended 31 December 2019. They do not include all of the information required for a complete set of International Financial Reporting Standards (‘IFRS’) financial statements.

3 Seasonality in operations

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

4 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period as that of the audited financial statements for the year ended 31 December 2019.

Amendments

The Group has applied the following amendments to and interpretations of the Group accounting policies for the first time for the period beginning on 1 January 2020:

- Definition of a Business (amendments to IFRS 3 *Business Combinations*)
- Amendments to References to Conceptual framework in IFRS Standards
- Definition of Material (amendments to IAS 1 *Presentation of Financial Statements* and to IAS 8 *Changes in Accounting policies, Changes in Accounting Estimates and Errors*)
- Interest Rate Benchmark Reform (amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*)

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

5 Use of judgements and estimates

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

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

Information about critical estimates in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Measurement of fair values

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

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

Level 1: 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).

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

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

Further information about the assumptions made in measuring fair values is included in Note 23 Fair value of financial instruments.

6 Property, plant and equipment

Group	Freehold land US\$'000	Building and leasehold improvements US\$'000	Electric generator equipment US\$'000	Assets under construction US\$'000	Total US\$'000
Cost					
At 1 January 2019	48,631	17,757	638,287	164,364	869,039
Recognition of right-of-use asset on initial application of IFRS 16	–	(17,757)	–	–	(17,757)
Adjusted balance at 1 January 2019	48,631	–	638,287	164,364	851,282
Additions	8,449	2	2,306	204,584	215,341
Reclassifications	–	–	111,938	(111,938)	–
Reclassifications from right-of- use asset	–	–	–	1,423	1,423
Transfer of TK interests	(4,813)	(171)	(366,106)	(111)	(371,201)
Disposal	(6,290)	(78)	(137)	–	(6,505)
Effect of exchange rate changes	223	257	22,535	828	23,843
At 31 December 2019	46,200	10	408,823	259,150	714,183
At 1 January 2020	46,200	10	408,823	259,150	714,183
Acquisition through business combination	–	–	54,728	–	54,728
Additions	779	2,175	3,030	84,479	90,463
Reclassification	–	–	118,966	(118,966)	–
Disposal	(305)	–	–	–	(305)
Write off	–	(2)	–	(92)	(94)
Effect of exchange rate changes	1,085	–*	10,889	6,087	18,061
At 30 June 2020	47,759	2,183	596,436	230,658	877,036
Accumulated depreciation					
At 1 January 2019	–	1,323	25,709	–	27,032
Recognition of right-of-use asset on initial application of IFRS 16	–	(1,323)	–	–	(1,323)
Adjusted balance at 1 January 2019	–	–	25,709	–	25,709
Depreciation charge for the year	–	–	24,839	–	24,839
Transfer of TK interests	–	(19)	(32,701)	–	(32,720)
Effect of exchange rate changes	–	20	20,701	–	20,721
At 31 December 2019	–	1	38,548	–	38,549
At 1 January 2020	–	1	38,548	–	38,549
Depreciation charge for the period	–	–	11,576	–	11,576
Effect of exchange rate changes	–	–*	1,036	–	1,036
At 30 June 2020	–	1	51,160	–	51,161
Carrying amounts					
At 1 January 2019	48,631	16,434	612,578	164,364	842,007
At 31 December 2019	46,200	9	370,275	259,150	675,634
At 30 June 2020	47,759	2,182	545,276	230,658	825,875

* Amount less than US\$1,000

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

During the six months ended 30 June 2020, asset management fee expenses and engineering, procurement and construction ('EPC') expenses charged by related parties of the Group, Nippon Renewable Energy K.K and Nippon Wind Energy K.K amounting to US\$ 13.7 million (31 December 2019: US\$14.4 million) have been capitalized for projects that are yet to reach its commercial operation date.

7 **Right-of-use assets**

	Land US\$'000
Group	
Cost	
At 1 January 2019	—
Recognition of right-of-use assets on initial application of IFRS 16	129,606
Additions	27,058
Transfer of TK interests	(45,076)
Effect of exchange rate changes	654
At 31 December 2019	<u>112,242</u>
At 1 January 2020	112,242
Acquisition through business combination	14,686
Additions	17,895
Effect of exchange rate changes	2,636
At 30 June 2020	<u>147,459</u>
Accumulated depreciation	
At 1 January 2019	—
Depreciation expense	2,577
Reclassification to property, plant and equipment	1,423
Transfer of TK interests	(1,099)
Effect of exchange rate changes	100
At 31 December 2019	<u>3,001</u>
At 1 January 2020	3,001
Depreciation charge for the period	1,283
Effect of exchange rate changes	711
At 30 June 2020	<u>4,995</u>
Carrying amounts	
Initial application of IFRS 16 at 1 January 2019	<u>—</u>
At 31 December 2019	<u>109,241</u>
At 30 June 2020	<u>142,464</u>

8 Intangible assets

	Goodwill US\$'000	Project-related agreements & licences US\$'000	Total US\$'000
Group			
Cost			
At 1 January 2019	354,983	1,149,542	1,504,525
Additions	–	39,761	39,761
Transfer of TK interests	(104,488)	(245,780)	(350,268)
Effect of exchange rate changes	2,061	5,858	7,919
At 31 December 2019	252,556	949,381	1,201,937
At 1 January 2020	252,556	949,381	1,201,937
Acquisition through business combination	–	22,732	22,732
Additions	–	4,819	4,819
Effect of exchange rates changes	5,932	22,610	28,542
At 30 June 2020	258,488	999,542	1,258,030
Accumulated amortisation			
At 1 January 2019	–	25,221	25,221
Amortisation expense for the year	–	24,428	24,428
Transfer of TK interests	–	(22,242)	(22,242)
Effect of exchange rate changes	–	216	216
At 31 December 2019	–	27,623	27,623
At 1 January 2020	–	27,623	27,623
Amortisation expense for the period	–	11,199	11,199
Effect of exchange rates changes	–	457	457
At 30 June 2020	–	39,279	39,279
Carrying amounts			
At 1 January 2019	354,983	1,124,321	1,479,304
At 31 December 2019	252,556	921,758	1,174,314
At 30 June 2020	258,488	960,263	1,218,751

Amortisation of the intangible assets will begin on the commercial operation date of the renewable assets as defined in the respective power purchase agreements.

9 Equity-accounted investees

Interest in joint venture

	30 June 2020 Total US\$'000	31 December 2019 Total US\$'000
Interests in joint venture	45,949	28,151

During the financial period, the Group entered into a joint venture, Nanao Mega Solar GK ('Nanao'), which is equity accounted. Nanao is based in Japan, and principally engaged in the development and operation of renewable energy assets.

For Nanao, 69% economic interests are held by the Group, and 30% economic interests are held by an external party, Kabushiki Kaisha (KK) Kyudenko FukuoSan Taiyoko Hatsudensho. The decisions in relation to key relevant activities of Nanao require consent by the Trust and KK Kyudenko FukuoSan Taiyoko Hatsudensho. The Trust has assessed that it has joint control over Nanao, and that its investment in Nanao meets the definition of a joint venture (as defined by IFRS).

For KK Kyudenko Fukuosan Solar Power Plant ('KK Kyudenko'), 69% economic interests are held by the Group, and 30% economic interests are held by an external party, Kabushiki Kaisha (KK) Kyudenko FukuoSan Taiyoko Hatsudensho.

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

2020

	KK Kyudenko 30 June 2020 US\$'000	Nanao 30 June 2020 US\$'000
<u>Statement of financial position</u>		
Property, plant and equipment	11,473	2,376
Right-of-use assets	11,023	204
Intangible assets	8,674	–
Non-current prepayment and other assets	97	12,379
Non-current assets	31,267	14,959
Prepayment and other assets	1,149	1
Trade and other receivables	66,018	11,659
Cash and cash equivalents	10,972	158
Current assets	78,139	11,818
Total assets	109,406	26,777
Loans and borrowings	60,616	204
Non-current liabilities	60,616	204
Loans and borrowings	308	–
Trade and other payables	8,676	519
Current liabilities	8,984	519
Total liabilities	69,600	723
Net assets	39,806	26,054

9 Equity-accounted investees (cont'd)

Interest in joint venture (cont'd)

	KK Kyudenko 30 June 2020 US\$'000	Nanao 30 June 2020 US\$'000
<u>Statement of comprehensive income</u>		
Other income	—	—
Operating expenses	(993)	(72)
Finance costs	—	—
Loss before tax	(993)	(72)
Tax expense	—	—
Loss for the year	(993)	(72)
Foreign currency translation differences	495	51
Total comprehensive income	(498)	(21)

2019

	KK Kyudenko 31 December 2019 US\$'000	Nanao 31 December 2019 US\$'000
<u>Statement of financial position</u>		
Property, plant and equipment	8,919	—
Right-of-use assets	10,770	—
Intangible assets	38,645	—
Non-current prepayment and other assets	3	—
Non-current assets	58,337	—
Prepayment and other assets	879	—
Trade and other receivables	35	—
Cash and cash equivalents	156	—
Current assets	1,070	—
Total assets	59,407	—
Loans and borrowings	10,770	—
Non-current liabilities	10,770	—
Trade and other payables	8,763	—
Current liabilities	8,763	—
Total liabilities	19,533	—
Net assets	39,874	—

There is no comparative statement of comprehensive income for the period ended 30 June 2019, as the joint ventures were entered into after 30 June 2019.

9 Equity-accounted investees (cont'd)

Interest in joint venture (cont'd)

	KK Kyudenko US\$'000	Nanao US\$'000	Total US\$'000
2020			
Carrying amount of interest in joint venture at 1 January 2020	28,151	–	28,151
Group's acquisition of share capital during the period	–	18,156	18,156
Share of loss of joint venture	(685)	(50)	(735)
Share of OCI	342	35	377
Carrying amount of interest in joint venture at 30 June 2020	27,808	18,141	45,949
2019			
Carrying amount of interest in joint venture at start of the year	–	–	–
Group's acquisition of share capital during the year	28,156	–	28,156
Share of loss of joint venture	(5)	–	(5)
	28,151	–	28,151
Carrying amount of interest in joint venture at end of the year	28,151	–	28,151

10 Prepayments and other assets

	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current		
Prepaid asset management fees	5,779	5,590
Prepaid O&M mobilisation fees	1,900	1,339
Other prepayments	800	–
	8,479	6,929
Current		
Prepaid Insurance	2,109	975
Other prepayments	1,942	1,735
Other assets	1,109	1,274
	5,160	3,984
	13,639	10,913

11 Trade and other receivables

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current			
Deposits		2,032	2,791
Current			
Amounts due from:			
- Related parties	(a)	28	175
Contract assets		11,563	2,687
Value-added tax ('VAT') receivables		17,514	6,775
Deposits to engineering, procurement and construction ('EPC') contractors		5,616	1,374
Other deposits		1,983	1,609
		36,704	12,620
Less: Impairment loss		(132)	(92)
		36,572	12,528
		38,604	15,319

(a) Amount due from related parties (as defined in note 26) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

12 Cash and cash equivalents

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Bank balances		250,632	423,326
Cash and cash equivalents in the statement of financial position		250,632	423,326
Restricted bank balances and deposits	(a)	(8,721)	(326,057)
Cash and cash equivalents in the statement of cash flows		241,911	97,269

(a) As at 30 June 2020, US\$8.7 million (2019: US\$12.5 million) of the Group's cash and cash equivalents were held under debt service reserve accounts which represents a reserve account used for debt service of project finance debt when cash flow available for debt services is inadequate to service the project finance debt.

13 Units in issue

	30 June 2020 ('000)	31 December 2019 ('000)
Issued and fully paid		
At 1 January	1,416,051	1,416,051
Issued during the period/year	13,131	–
Redemption during the period/year	(66,310)	–
At 30 June 2020/31 December 2019	1,362,872	1,416,051

During the period, the Unitholder redeemed 66,310,372 (31 December 2019: NIL) of its units at a price of US\$1.01104 per unit for the aggregate consideration of US\$67,000,000.

During the period, 13,131,539 (31 December 2019: NIL) units were issued and fully paid.

13 Units in issue (cont'd)

Units

All units in issue in the Trust are subject to interests created pursuant to a Guernsey law security interest agreement under the Security Interest (Guernsey) Law, 1993 in favour of Credit Agricole Corporate and Investment Bank as security agent and may not be dealt with without the prior written consent of the said Credit Agricole Corporate and Investment Bank.

14 Advance from unitholder

	30 June 2020 US\$'000	31 December 2019 US\$'000
Advance from unitholder	–	13,131

The advance received from unitholder represents the contributions from unitholder for which units have yet to be issued. On 13 May 2020, the advance in amount of US\$13,131,539 has been converted into 13,131,539 units at US\$1 per unit.

15 Loans and borrowings

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current			
Lease liabilities		134,327	101,355
Project finance debt		478,027	311,782
Bond issued by O&M Provider		328	320
Loan from:			
- Related parties	(a)	117,381	407,540
- Bond Issuer	(b)	129,584	–
Interest payable on loan from:			
- Related parties	(a)	431	580
- Bond Issuer	(b)	624	–
		860,702	821,577
Current			
Lease liabilities		3,896	3,170
Project finance debt		49,760	2,165
Interest payable on:			
- Project finance debt		8	88
- Bond issued by O&M Provider		9	7
- Loan from related parties	(a)	27	17
		53,700	5,447
		914,402	827,024

- (a) During the six months, the Trust drawn down additional loan of US\$248.4 million and repaid US\$542.8 million to its related parties, Vena Energy Holdings Ltd and its subsidiaries, as settlement of loan and interest outstanding. Loan payable to related parties are unsecured, with interest rates ranging from 1.35% - 1.375% (2019: 5%) per annum and is not repayable within the next twelve months.
- (b) The Bond Issuer refers to Vena Energy Capital Pte. Ltd., a related company, who issued US\$325,000,000 3.133 per cent. Notes due under 2025 under the US\$1,000,000,000 Global Medium Term Note Programme.

15 Loans and borrowings (cont'd)

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

Gross debt	30 June 2020 US\$'000	31 December 2019 US\$'000
Non-current		
Project finance debt	484,045	315,596
Bond issued by O&M Provider	328	320
Loan from:		
- Related parties	117,381	407,540
- Bond Issuer	131,000	–
	<u>732,754</u>	<u>723,456</u>
Current		
Project finance debt	51,612	2,859
	<u>51,612</u>	<u>2,859</u>
	<u>784,366</u>	<u>726,315</u>

16 Derivative assets and liabilities

	30 June 2020 US\$'000	31 December 2019 US\$'000
Derivative assets:		
Interest rate swaps	<u>–</u>	<u>–</u>
Derivative liabilities:		
Interest rate swaps	<u>10,537</u>	<u>6,720</u>

17 Trade and other payables

	Note	30 June 2020 US\$'000	31 December 2019 US\$'000
Trade payables		19,388	10,145
Other tax payables		2,975	947
Advances received		812	813
Accrued expenses		19,635	25,928
Amounts due to:			
- Asset Managers		18,801	14,395
- O&M Provider		986	729
- Related parties	(a)	7,422	574
- Equity-accounted investee		11,657	–
- Other third parties		1,995	187
		<u>83,671</u>	<u>53,718</u>

(a) Amount due to related parties (as defined in note 26) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

18 Revenue and other income

The Group's revenue and other income comprises:

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Sale of energy	51,379	54,332
Other income: Insurance claims	816	1,607
	52,195	55,939

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Nature of goods or services	Sale of renewable energy
When revenue is recognised	Revenue from sale of electricity is recognised in profit or loss when the electricity generated is distributed to the customer. Revenue is determined based on the units of sales delivered at the applicable tariff rates.
Payment terms	15 to 30 days

Disaggregation of revenue from contracts with customers

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

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Japan Solar	51,379	54,332

Contract balances

Please refer to note 11 for contract assets primarily relating to the Group's right to consideration upon fulfilment of performance obligations for sale of renewable energy but not billed as at reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

19 Operating costs

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Operations and maintenance costs	3,123	3,688
Asset related tax and levies	2,443	3,237
Professional fees	544	444
Asset related insurance	722	702
Utilities and transmission costs	176	260
Other general and administrative costs	353	82
	7,361	8,413

20 Asset management fee

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Asset management fee	2,159	2,530

In accordance with the Asset Management Agreement, the Asset Management Fee for each Accounting period shall be entitled to receive an annual fee equal to the sum of:

- (i) The actual reasonable expenses incurred by the Asset Manager on its own account for the performance of the Services (as opposed to expenses incurred on behalf of the GK) to the extent falling within the Operating Budget, and
- (ii) 10% of the amount in (i) or the maximum asset management, as agreed.

Services are defined to be the Asset Management Agreement as general duties performed by the Asset Manager within reasonable requirements of GK in connection with the management of the Assets and the Business and the performance of the services as are customarily provided by a manager of properties of comparable class and standing; and do all such other things as may reasonably and properly be required to done within the scope of the Asset Manager's duties to GK relating to the management of the Assets and the Business and the performance of the Services.

21 Development costs

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Professional fees	76	311
Business related taxes	47	123
Insurance	9	138
Occupancy costs	–	25
Other general and administrative costs	35	62
	167	659

22 Finance income and finance costs

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Finance income		
Interest income on:		
- Transfer of TK interests	–	1,047
- Others	1	38
Total finance income	1	1,085
Finance costs		
Interest expense on:		
- Loan from related parties	848	8,820
- Loan from Bond Issuer	712	–
- Bond with O&M Provider	2	2
- Project finance debt	2,048	3,355
- Lease liabilities	374	327
Other finance costs	433	341
Total finance cost	4,417	12,845

23 Fair value of financial instruments

Fair value measurement

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

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

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

Fair value measurement

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

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.	Not applicable.	Not applicable.

Financial instruments not measured at fair value

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

23 Fair value of financial instruments (cont'd)

Accounting classification and fair value

The table below summarises the classification of the financial assets and liabilities of the Group. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount				Fair value			
		Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
30 June 2020									
Trade and other receivable*	11	-	21,090	-	21,090				
Cash and cash equivalents	12	-	250,632	-	250,632				
		-	271,722	-	271,722				
Loans and borrowings	15	-	-	(914,402)	(914,402)	-	(914,402)	-	(914,402)
Derivative liabilities	16	(10,537)	-	-	(10,537)	-	(10,537)	-	(10,537)
Other financial liabilities (net of advances)*	17	-	-	(79,884)	(79,884)				
		(10,537)	-	(994,286)	(1,004,823)				
31 December 2019									
Trade and other receivable*	11	-	5,857	-	5,857				
Cash and cash equivalents	12	-	423,326	-	423,326				
		-	429,183	-	429,183				
Loans and borrowings	15	-	-	(831,532)	(831,532)	-	(831,532)	-	(831,532)
Derivative liabilities	16	(6,720)	-	-	(6,720)	-	(6,720)	-	(6,720)
Other financial liabilities (net of advances)*	17	-	-	(51,958)	(51,958)				
		(6,720)	-	(883,490)	(890,210)				

* Excludes non-financial assets and liabilities

24 Business combination

On 5 August 2019, in line with the Group's strategic growth objective, the Trust invested in KP Energy GK, a solar renewable energy development company, via Tokumei Kumiai ('TK') agreement in Japan of 99% TK interest, amounting to cash consideration of JPY3.9 billion (US\$36.3 million). On 16 January 2020, control was assumed upon fulfilment of all conditions precedents and was consolidated as a direct subsidiary of the Group.

For the six months ended 30 June 2020, KP Energy GK contributed revenue of US\$6.0 million and profit of US\$0.9 million to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that the Group's revenue would have been US\$51.7 million, and consolidated loss for the period would have been US\$3.7 million. In determining these amounts, management has assumed the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

Acquisition-related costs

The Group incurred acquisition-related costs of US\$5.5 million on professional fees, including legal fees and brokerage fees. These costs have been included in 'acquisition-related cost' in the statement of comprehensive income.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition.

	US\$'000	
Initial cash consideration		35,750
Cash consideration on closing adjustment		<u>151</u>
		35,901
NCI, based on the proportionate interest in recognised amounts of the assets and liabilities of the acquiree		<u>363</u>
Total cash consideration		<u><u>36,264</u></u>
	Note	US\$'000
Property, plant and equipment	6	54,728
Right-of-use assets	7	14,686
Intangible assets	8	22,732
Prepayment and other assets		15,854
Trade and other receivables		644
Loans and borrowings		(56,547)
Trade and other payables		<u>(15,833)</u>
Total identifiable net assets		<u><u>36,264</u></u>

Measurement of fair values

The valuation techniques used for measuring the fair value of material asset acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolesces.
Intangible assets	Discounted cash flow model.

24 Business combination (cont’d)

Fair values measured on a provisional basis

The fair value of KP Energy GK’s intangible assets (power purchase agreement) has been determined provisionally pending completion of an independent valuation.

If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of the acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

25 Group entities

The table below provides details of the significant subsidiaries of the Group:

Name of subsidiaries	Sector	Project Name/ Activities	Status	Principal place of business	Ownership interest 2020 %	2019 %
Zenith Japan Trust	Investment Holding Company	–	Operating	Guernsey	100	100
Kuni Umi Wind (No.1) LLC	Wind	Nakamadori	Construction	Japan	99	99
GK KC-01 Investment	Solar	Sotsukozawa	Operating	Japan	99	99
GK NRE Sannan	Solar	Sannan	Operating	Japan	99	99
GK NRE-05 Investment	Solar	Shichinohe 3,6,8	Operating	Japan	99	99
GK NRE-13 Investment	Solar	Enokibayashi	Operating	Japan	99	99
GK NRE-15 Investment	Solar	Noheji	Operating	Japan	99	99
GK NRE-16 Investment	Solar	Tokai	Operating	Japan	99	99
GK NRE-17 Investment	Solar	Mito1	Operating	Japan	99	99
GK NRE-19 Investment	Solar	HitachiOmiya	Operating	Japan	99	99
GK NRE-23 Investment	Solar	Kisarazu	Construction	Japan	99	99
GK NRE-36 Investment	Solar	Towada	Operating	Japan	99	99
GK NRE-39 Investment	Solar	Ono	Operating	Japan	99	99
GK NRE-41 Investment	Solar	Bandai	Construction	Japan	99	99
GK KP Energy	Solar	Yaita 2	Operating	Japan	99	–

The Group has acquired Tokumei Kumiai interests (‘TK Interests’) of the special purpose vehicles (‘GKs’ or ‘TK Operators’) on 19 January 2018. The relationship between the Trust and the TK Operators is governed by the TK Agreements. The Trust, as the investor, will provide funds to the TK Operator in return for the right to receive distribution of profit generated from the operation of the GK. Under the TK Agreement, the net income of the TK business, comprising principally the income generated from the solar projects, will be passed up to the Trust. The Trust is entitled to 99% of the profits and losses of such business, while the TK Operator is entitled to 1% of the allocated profits and losses, respectively. The Trust is, therefore, entitled to receive substantially all of the economic interest form the TK Operator.

The Trust has assessed the economic reality of the Group and its investment activities in the GK under the terms of the TK Agreements and concluded the GK meets the definition of subsidiaries of the Group (as defined by IFRS).

26 **Related parties**

The Group has determined Vena Energy Holdings Ltd and its subsidiaries as related parties in accordance with IAS 24.

Related parties transactions

During the period, other than those disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial period:

	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2019 US\$'000
Asset management fee expense	2,159	2,530
Operations and maintenance costs	3,123	3,688

27 **Non-controlling interest**

Non-controlling interest denotes Nippon Renewable Energy K.K and Nippon Wind Energy K.K in fully paid up equity shares of all group entities domiciled in Japan.

28 **Impact of COVID-19**

The Group continues to closely monitor developments related to the global economic shutdown in response to the ongoing coronavirus (“COVID-19”) pandemic. During the first six months of 2020, the Group had not experienced any material financial, operational, construction or liquidity impacts related to COVID-19.

29 **Standards issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed interim financial statements.



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